

UNIVERSITY OF SOUTHAMPTON

THIS IMMENSE COMMERCE: THE TRADE BETWEEN PUERTO RICO AND GREAT
BRITAIN, 1844-1898

Emma Aurora Dávila Cox

Doctor of Philosophy
Department of History

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ABSTRACT

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It has generally been assumed that the trade between Puerto Rico and Great Britain during the nineteenth century was not greatly significant for either country. The importance of Spain, and especially the United States, as trading partners for Puerto Rico has been over-emphasised while British historians have shown little interest in examining any possible commercial relationship between the two countries.

This essay demonstrates that Great Britain was one of Puerto Rico's most important trade partners during the nineteenth century. It became an avid customer for the island's sugar between 1846 and the mid 1860's, during which time it not only prevented the island's exterior trade and economy from being dominated by one nation (the United States) but also helped avert two serious economic crises, that of the 1840's and that which would have been caused by the contraction of trade during the U.S. Civil War. It was also consistently the island's most important supplier of such important articles as rice, fish, textiles, coal, machinery and metals.

Similarly, for Britain, Puerto Rico became an important customer. It possessed a wide range of features (economical, geographical, political, and social) which compared favourably with most of the other Latin American countries. Commercial ties between both countries remained strong until the United States occupation in 1898.

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MAP 1. THE CARIBBEAN

DISTANCES FROM PUERTO RICO	
	<u>MILES</u>
LONDON	4,400
MADRID	4,000
NEW YORK	1,600

ATLANTIC
OCEAN



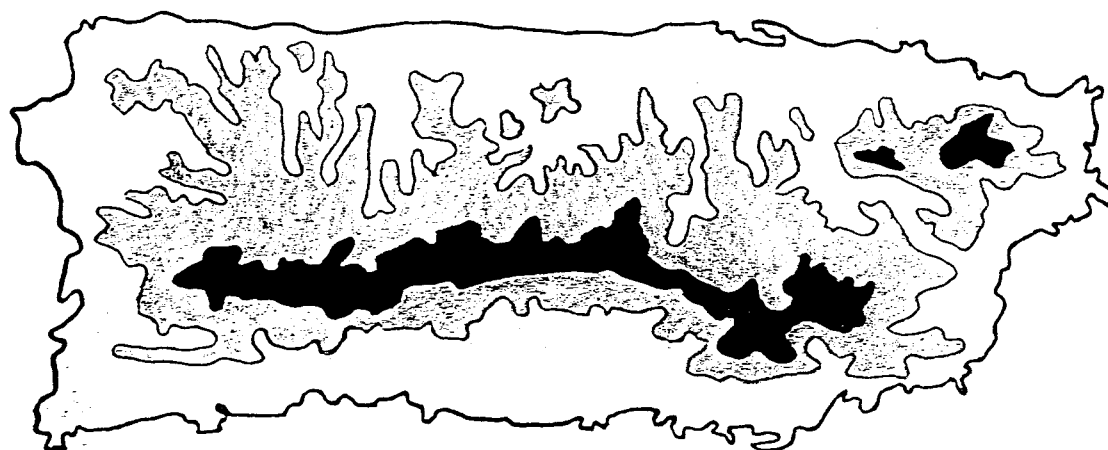
CULEBRA IS.

VIEQUES IS.

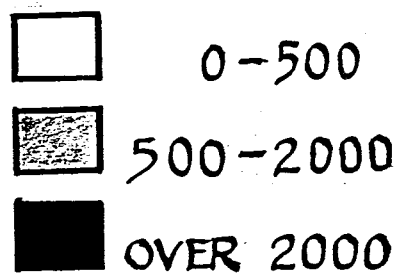
CARIBBEAN
SEA

MAP 2. PUERTO RICO : PRINCIPAL TOWNS,
PORTS AND CITIES

*MAP 3. PUERTO RICO: MAJOR
RELIEF FEATURES*



Elevation in Feet



INTRODUCTION

It is almost ten years since I first chose to study the trade which Puerto Rico held with Great Britain during the nineteenth century. I considered it a very practical choice for my first undergraduate research project: primary sources were accessible (at the University of Puerto Rico) and the subject had not previously been tackled in depth by historians in either country. In fact, the indifference which it had as yet attracted, on both sides of the Atlantic, could only indicate to me that my enquiries would yield the innovative but basically modest conclusions which were all I dared hope for in this very first attempt at historical research.

This essay is the obvious proof of my initial mistake. A short perusal of the island's trade statistics made it clear that not only had I been wrong in expecting Puerto Rico's trade with Great Britain to have been a modest affair: I had been *totally* wrong.

The extent of my misjudgment, however, cannot all be attributed to lack of experience. It would seem that many elements, from Puerto Rico's present political status to the development of the country's historiography, had combined to offer a misleading picture. After all, it is safe to say that the island today has absolutely no commercial contact with Great Britain. Indeed, Puerto Rico today has practically no commercial contact with any state at all except the United States, its metropolis since 1898. One would therefore expect the island to have been drawing ever closer to its American neighbour during the nineteenth

century in anticipation of the advent of political control. Such, after all, had been the case in Cuba, and the similarities between the character and culture of the two Antilles have been endlessly expounded by poets and historians alike. Cuba, in 1898, was a territory of the United States in everything but in name. One would think that such must have also been the case of Puerto Rico which today bears both the name and the reality of a colony of the United States. A tug-of-war between Spanish political control and United States economic domination over Puerto Rico, such as had occurred in Cuba, was expected. A large and flourishing commerce with a third party, such as Great Britain, was not.

"The point of view of the historian," E.H. Carr has said, "enters irrevocably into every observation which he makes; history is shot through and through with relativity."¹ So, it is understandable that successive generations of Puerto Rican scholars observing their country from its present political status, expected to find the above premises proved true through their research. The assumption that the island's economy depended heavily on the United States before 1898 would also go a long way towards explaining its present circumstances. It would also provide apparently obvious answers to other less all-encompassing, but equally annoying little mysteries, such as the generally favourable reception which the invading army received from the Puerto Ricans in 1898.

The heavy bias towards political history (generally of a chronological inclination) which was evident amongst the island's scholars until the 1970's, further helped to feed these notions. More recently, the incorporation of fresh perspectives has encouraged a more

¹E.H. Carr, *What is History?* The George Macaulay Trevelyan Lectures delivered in the University of Cambridge, January-March, 1961, Harmondsworth, Penguin Books, 1978, p. 70.

analytical approach to the island's history.² As a result, not only has traditional political history been explored from different angles, but new stimulating subjects have been approached from the social and economic standpoints. Nevertheless, a quick glance at a bibliography of Puerto Rico's recent historiography will find the branch of economic history sadly lacking.³ It is worth noting the distortions which this bias towards political and social history might lend itself to, especially in the understanding of the island's trade relations and where its principal markets for both exports and imports lay. It is easy, for example, to obtain an unbalanced picture of the island's economic dependence on the United States from the very vocal exponents of economic liberalism in Puerto Rico's late nineteenth century press.

Indeed, the subject of Puerto Rico's external trade has so far been the object of much unjustified neglect. For example, Carmelo Rosario and Francisco Scarano, in their excellent 1984 bibliography, mention only Angel López Cantos' article on Puerto Rico's commercial exchange with the Canary Islands.⁴ On the island's foreign trade, only one work, covering Puerto Rico's commercial relations with Saint Thomas, was produced before the 1980's.⁵ Indeed, it was not until Birgit Sonesson's doctoral thesis of 1985 that any serious

²See, Gervasio L. García, "Nuevos enfoques, viejos problemas: reflexión crítica sobre la nueva historia," *Historia crítica, historia sin coartadas: Algunos problemas de la historia de Puerto Rico*. Río Piedras, Ediciones Huracán, 1985, pp. 41-63.

³See, e.g., Carmelo Rosario Natal and Francisco Scarano Fiol, "Bibliografía histórica puertorriqueña de la década de los setentas (1970-79)", *Homines*, Vol. XVIII, No. 1, January-June, 1984, pp. 83-109.

⁴Angel López Cantos, "El comercio canario-puertorriqueño: cien años de su historia", *Jahrbuch*, Vol. XIV, 1977, pp. 78-96.

⁵Birgit Sonesson, "Puerto Rico y San Thomas en conflicto comercial: 1839-43", Masters Thesis, Río Piedras, University of Puerto Rico, Department of History, 1973.

attempt was made to analyse Puerto Rico's general commercial relations during a significant portion of the nineteenth century. Sonesson's work concentrates on the period between 1835 and 1865, placing considerable stress on Spanish commercial and fiscal policy with respect to Puerto Rico. It is particularly useful in its detailed description of the development of the island's tariff structure and the influence of Saint Thomas in its commercial affairs which was at its height during the greater part of the period she examines.⁶

Needless to say, there are large areas concerning the history of Puerto Rico's external trade which are as yet un-examined. This relative vacuum is, to say the least unfortunate. A lack of familiarity with the subject can significantly alter the perspective on a wide variety of seemingly unrelated issues. After all, the Puerto Rican economy during the nineteenth century was primarily export-oriented and an understanding of the mechanisms of its exterior trade must be a crucial prerequisite for an accurate comprehension of its society, its politics, and the internal workings of its economy. This essay attempts to shed some light on this important, yet largely unexplored area of our history.

The object of this work is threefold: to prove that during the nineteenth century Puerto Rico held a flourishing trade with Great Britain; that this trade was not only active, but at certain stages crucial to the island's economy; and that, while Britain might have never held interests in the island in any way comparable to those it held in Argentina, Brazil or Chile, its trade with Puerto Rico was both profitable and enthusiastic, in contrast with the progressive lack of interest which it was demonstrating towards other regions of Latin America during most of the nineteenth century.

⁶Birgit Sonesson, "Puerto Rico's Commerce, 1835-65: From Regional to World Wide Market Relations". Ph.D. dissertation, New York University, 1985.

Choosing Britain as a subject is not coincidental. If in truth any country, other than Spain and the United States, was to have affected Puerto Rico economically during the nineteenth century, then it would have had to have been Britain. Indeed, one of the most serious flaws of the conventional perception that Puerto Rico was already an economic satellite of the United States before 1898, is that it neglects to ask one obvious and important question: what was Britain's role in the island's trade and economy? For it is worth wondering whether there was any corner of the world which during the nineteenth century was not affected in some way or another by British trade, British finance, British investments or British policy of any kind. Even Cuba, absorbed as it was by its northern neighbour, managed to sustain a considerable commercial exchange with England during the nineteenth century, particularly between 1846 and the late 1860's. Why should Puerto Rico have been any different?

The answer is that it obviously wasn't. On the contrary, during the nineteenth century, Puerto Rico failed to attract the avid attention which Cuba received from the United States, and even from its own metropolis, Spain. The smaller island was therefore allowed to develop a multilateral trade, certainly influenced by Spanish colonial policy and by the proximity of the United States, but nevertheless of a varied nature and a cosmopolitan outlook in which Britain's participation was naturally dynamic; so dynamic, in fact, that in 1869, the normally phlegmatic English consul at Puerto Rico, Henry Augustus Cowper, was compelled to describe the island as possessing "an *immense* British commerce".⁷

⁷Report by Mr. Consul Cowper on the Trade and Commerce of the Island of Porto Rico during the year 1868. Parliamentary Papers (henceforth "P.P.") 1868-69 [4110-I-VI], LIX.1, LX.1, 65, 103, 171, 279, 361, p. 215. (My emphasis.)

Notes on References: 1. Full reference will be printed when quoting consular reports from the Parliamentary Papers for the first time. Subsequent references to the same report will be abbreviated.

Cowper's assertion is easily corroborated in the island's trade statistics or *Balanzas mercantiles*⁸ which are fortunately available in uninterrupted sequence for the whole of the period that concerns us here. This ranges from 1844, the year in which the first British consul, John Lindegren, arrived in Puerto Rico, to 1898, when Puerto Rico was occupied by the United States.

A word of warning however, seems appropriate concerning these statistics. First, they obviously do not include any figures related to the contraband trade, which although nowhere near as rife as it had been before the legalisation of foreign trade in Puerto Rico, continued to prosper in the provinces. Sonesson, who tested the accuracy of the official returns in great detail, has concluded however, that this is especially true of the figures related to imports from Saint Thomas and the Caribbean region, whereas those concerning Spain, the United States and direct imports from Britain, appear to be quite reliable.⁹

A further qualm concerning the official trade statistics of Puerto Rico is that they tended to over-value imports and under-value exports. In fact, the accuracy of official returns depended greatly on the island's tariff and the general policy in effect concerning the collection of duties. "When duties were eliminated," says Sonesson,

2. Note that the British consuls frequently misspelt the island's name, Puerto Rico, as "Porto Rico". However, when quoting directly from a source or stating the title of a particular document, the spelling used by the original author has not been altered.

⁸Note on References: In 1862, their official title was changed from "Balanza mercantil" to "Estadística general del comercio exterior (sic.) de esta provincia de Puerto Rico", in line with Peninsular standards. However, to avoid confusion, I will continue to use the title "Balanza mercantil" when referring to the island's official trade statistics throughout.

⁹See her assessment of the statistics in "Puerto Rico's Commerce...", pp. 190-222.

--and this is valid for other countries as well-- record-keeping became unreliable and the true quantities were higher than those reported. When a moderate and steady level of duties was enforced, statistics were acceptable; often an excellent correlation exists. But if duties were suddenly increased, the temptation to fraud and smuggling was too strong, as was the case in 1836-37 and 1850-52 when import figures from Saint Thomas are much too low."¹⁰

Duties were levied according to fixed unit values which were not always a realistic reflection of prices current. During certain periods such as 1834-58, the values placed on imports by the tariff were particularly high. This characteristic was especially manifest in the case of flour, the single largest import item during the period, and to a lesser extent, also with cotton goods, yielding overall artificially inflated import figures. In 1868, Cowper reported: "Each article is specified in an absurdly protective Tariff at exaggerated valuations, with the view of deriving larger revenue upon the *ad valorem* system."¹¹

Similarly, exports appear to have been undervalued so that planters could escape taxation.¹² This was especially the case for sugar which, according to Sonesson's comparisons of quantities exported from Puerto Rico and those received in the United States and Spain, was consistently under-reported at Puerto Rican customs houses by about 10 per cent.¹³ The introduction of export duties in 1869 only exacerbated the situation, the difference becoming so great that in years such as 1874, the official statistics claim nearly twice as much was

¹⁰*Ibid.*, p. 222.

¹¹Cowper's report on Puerto Rico for 1868. P.P. 1868-69, p. 215.

¹²Loc. cit.

¹³Sonesson, "Puerto Rico's Commerce...", p. 202.

spent on imports than was received for exports.¹⁴

Coupled with the over-valuation of imports, under-reporting of exports produced the false impression that Puerto Rico had a negative balance of trade. "A reliable report of the value of imports is impossible to produce," complained consul William Berjew Pauli in 1876. Not only were the statistics published late (as a rule at the end of the following year) but "they make the value of imports nearly double that of the exports. This (...) is an evident mistake," he concluded¹⁵ especially considering that the island, as his successor, Consul Charles Toll Bidwell, remarked in 1878, managed to remain solvent.¹⁶

Other sources of difficulty inherent to the Balanzas are the occasional changes in format (1861 and 1879 in the period under review) and that the country of origin and destination of goods were not always those mentioned in the reports, as they did not take into account re-exports (a fact which is significant before the 1860's due to the influence of Saint Thomas as a mediator for Puerto Rico's commerce) or re-routing in transit, especially after mid-century when communications improved markedly.

In spite of their defects, the official statistics still provide a reasonable point of reference from which to study the volume and movements of Puerto Rico's trade with Britain. The peaks and troughs they yield seem to be in agreement with the political and economic changes that were experienced throughout the century. From a comparative point of view, the difficulties arising from

¹⁴Balanza mercantil, 1874.

¹⁵Report by Consul Pauli on the Trade of Porto Rico for the Year 1876. P.P. 1877 [C.1855] LXXXIII.3, p. 1631.

¹⁶Report by Consul Bidwell on the Trade and Commerce of the Island of Puerto Rico and on the Produce and Trade of this Province for 1878, with Reference to Preceding Years. P.P. 1878-79 [C.2421] LXXII.1, p. 1623.

over- and under-valuation at customs are not as serious as might at first be apparent. Over-valuation of British cotton goods might affect the proportion of that country's commerce with Puerto Rico when comparing it to other trading partners such as the United States and Spain, but this bias is likely to be offset by an even greater and more consistent over-valuation of Spanish and United States flour. Under-reporting of Puerto Rico's sugar exports, if anything, indicates that the value of the island's exports to all countries was certainly higher than is apparent, the error being spread quite evenly between all participants in the trade.

Information yielded by the Balanzas also tends to be in agreement with the reports which the British consuls sent regularly on the island's trade to the Foreign Office. Most of these reports were published in the British Parliamentary Papers, the complete collection of which is available at the Hartley Library of the University of Southampton. The same reports, and others which were not published, were consulted in their manuscript form at the Public Record Office in Kew, London, where they are catalogued under the heading of Foreign Office 72 (Spain). They are complemented by an extensive collection of miscellaneous correspondence concerning all matters related to the British consulate and vice-consulates in Puerto Rico. I have attempted to combine both types of documents --Balanzas and consular reports-- so that numerical and subjective data may complement one another, thus enhancing the validity of the information that each has to offer.

It is not an unusual expectation for all of those who delve into the history of their countries to hope to be able to contribute, however modestly to a better understanding of their people, from both outside and within. In this I am no exception. Perhaps by unearthing the details regarding the commercial relations

which Puerto Rico once shared with Great Britain, I may help to dispel some of the indifference which the island's present isolation has promoted abroad. But much more importantly, it might strike a chord of surprise, or perhaps even familiarity, amongst a people who have become so accustomed to regarding themselves as powerless before fate and the incumbent metropolis, to realise that that same "small tropical island, densely populated [and] poor in natural resources"¹⁷, once carried out an "immense British commerce" in spite of its status as a Spanish colony and in spite of the proximity of its powerful American neighbour.

¹⁷Earl Parker Hanson, *Puerto Rico, Ally for Progress*. New Jersey, D. Van Nostrand Company, Inc., 1962, p. 7.

**Part I. Historical Background: The Development of the
Trade between Puerto Rico and Great Britain up to 1844**

CHAPTER 1. FROM PIRATE'S NEST TO SUGAR ISLAND: PUERTO RICO'S TRANSITION TOWARDS AN EXPORT ECONOMY

It is fair to say that the island of Puerto Rico became accustomed to British presence since the very early days of its colonisation by Spain. The reception of the English-speaking foreigner there however, was by no means always cordial and rarely approved of by the Spanish authorities until the advent of free trade in the late eighteenth and early nineteenth centuries.

Throughout the first three centuries of its history, British interest in the island was both political and commercial, but while outright political interest in acquiring the island as a colony waxed and waned according to the turbulent enmities and alliances that prevailed amongst the European nations, Britain's commercial interest in the island remained constant. Ultimately, even its annexationist intentions were related to the prospects of commercial expansion, for besides its evident military advantages, Puerto Rico's strategic location at the very entrance of the Caribbean, would have offered the British a vantage position from which to conduct commerce with the Spanish empire.

Open aggression against Puerto Rico by the British began with an unsuccessful attack by Francis Drake on San Juan harbour in November, 1593. Five years later, George Clifford, Earl of Cumberland, succeeded in capturing the capital but was unable to gain full control of the island. His forces were driven away after two months by an epidemic. There were no more real moves at taking the

island from Spain until the War of Spanish Succession (1701-1714) when failed attempts were made on Arecibo and Loíza. Nevertheless, several schemes, in varying degrees of seriousness, were often plotted by the English, especially during first and very turbulent half of the eighteenth century, although these were thwarted by opposition from the British West Indian sugar planters who regarded Puerto Rico as potential competition, and by the limitations of the British naval forces. Ralph Abercomby's attack in 1797 was effectively repelled by the island's inhabitants. It was also the last act of British aggression against Puerto Rico.

British attempts at trading with the island were not as erratic as those of annexing it to the empire. They reveal dogged obstinacy in the face of Spain's mercantilist exclusivism in the area.

1. On the road to the legalisation of foreign trade

No sooner did Spain become aware of the existence of vast expanses of land beyond the Atlantic, than it declared itself the owner of exclusive rights to conquer, colonise, and so much as set foot anywhere near them. A papal bull known as the *Inter Caetara* issued by Pope Alexander VI on May 3, 1493, gave the Church's backing to Spanish exclusivism in these newly discovered territories and forbade all other countries from going there without Spain's permission, be it for trade or for any other purpose.¹ Pope Alexander's bull however, was not taken very seriously by the Portuguese, the French, the British, the Dutch, and eventually even the Danish and the Swedish, all of who found reason to venture into those forbidden seas and ways of engaging in illegal

¹Arturo Morales Carrión, *Puerto Rico and the Non-Hispanic Caribbean: A Study in the Decline of Spanish Exclusivism*. Río Piedras, University of Puerto Rico, 1971, p.1.

trade with the Spanish colonies.

The Spanish settlements in the West Indies became especially popular to the foreign interlopers in the early sixteenth century as they had already begun to suffer Spanish neglect in favour of the vast and immensely rich territories of Mexico and Peru. The West Indies' heyday had been short-lived. After whatever gold there had been was extracted from the rivers, a few feeble attempts at directing the colonies' economies towards sugar production were made, but by the mid sixteenth century, a pattern characterised by neglect, was established in the Spanish Islands, one which would more or less prevail until the end of the eighteenth century. It found what was probably its most extreme form in Puerto Rico, as, after 1533, Spanish ships began to skirt San Juan altogether en-route to the mainland, choosing to make their stop for water and supplies in Havana. During the last 50 years of the seventeenth century, only 16 ships left Seville for Puerto Rico² which meant that there were many years during which no Spanish ships at all arrived at San Juan. In the eyes of Spain, Puerto Rico had lost all significance except as a military bastion to guard the entrance of the route which led to the prized continental possessions, especially New Spain.

It was obviously unrealistic to expect a settlement to survive on such meagre legal trade. Contraband became inevitable. It resulted from local demand and Spain's inability to satisfy the most basic trade requirements of her Caribbean colonies while imposing a rigid policy of exclusivism upon them, and it became so generalised that it developed into what Arturo Morales Carrión has called "a kind of free trade, forbidden by law but sanctioned by

²Fernando Picó, *Historia general de Puerto Rico*. First edition. Río Piedras, Ediciones Huracán, 1986, p. 74.

the pressure of daily needs."³

The contraband trade has a very interesting and colourful history, the details of which have been well explored by such historians as Morales Carrión and Kenneth R. Andrews, to name but two.⁴ Its earlier stages were well-seasoned with a combination of piracy, pillage and plunder, but with the establishment of the foreign Antilles during the seventeenth century, it settled into a more peaceful and well-organised affair, to the point that attempts were actually made to approach the Spanish governors and seek their approval of this commerce. Yet, notwithstanding the willingness of many Spanish officials to take part in the trade, it was never given official sanction.

Of all the foreigners that engaged in the clandestine trade in the Spanish Caribbean, the English appear to have had the most outstanding record. In the words of H.W.V. Temperley: "The illicit trade of private individuals was very considerable, and England's record in this matter both official and unofficial, compares unfavourably with that of other nations."⁵ English trade with Spanish America was given an added boost with the granting of the *Asiento* to this country after the Peace of Urtecht which put an end to the War of Spanish Succession in 1713. The *Asiento* was a kind of licence granting the holder the right to provide the Spanish American colonies with African slaves. The English *Asiento* marked the first legal breach in the Spanish and Portuguese monopoly of trade with Latin America. It granted England the privilege of sending one 500-ton ship

³Morales, *op. cit.*, p. 40.

⁴Morales, *op. cit.*, *passim.*, and Kenneth R. Andrews, *The Spanish Caribbean: Trade and Plunder, 1530-1630*. New Haven and London, Yale University Press, 1978, *passim.*

⁵H.W.V. Temperley, "Causes of the War of Jenkins' Ear", *Transactions of the Royal Historical Society*. Third Series, Vol. III, 1909, pp. 204-205.

to South America every year, a privilege which, according to W.H. Zimmermann, was "much encroached upon".⁶ The English, he says "made such a fine art of smuggling that out of 35 million pesos of commerce of Spanish America in 1765, they managed to secure an estimated 20 million". He concludes, "it is not surprising that the Asiento lapsed, actually in 1739".⁷

Trade with England through the Asiento made it hard to prove when smuggling was involved and the English could use it as an excuse to complain bitterly against any confiscation of goods. The Dutch had no such privileges and the French government actually made an effort to curb the illicit trade with the Spanish possessions. Although the success of these efforts is debatable, there is little doubt that for most of the eighteenth century, the English contraband trade with Spanish America was far greater than that of the Dutch or the French, and even the English authorities admitted to this.⁸

Although Cuba and Santo Domingo also took an active part in the contraband trade, Puerto Rico's participation was almost certainly greater. Puerto Rico was ideally located, closer to the foreign Antilles and further from any of the seats of Spanish power than the other Spanish islands. It is little wonder that it was described as "a nest of pirates" by a captive English sailor from Suffolk in 1748.⁹ As such it was to remain until the latter part of the eighteenth century when Spain finally saw fit to

⁶W.H. Zimmermann, "Lancashire and Latin America", *The Manchester School of Economics and Social Studies*. Vol XIII, 1944, pp. 46-47.

⁷*Ibid.*, p. 48.

⁸H.W.V. Temperley, "Relations of England with Spanish America, 1720-1744", *American Historical Association Annual Report*. Vol. I, 1911, pp. 234-235.

⁹Journal of a Captive, Puerto Rico Memorial Collection, Division of Manuscripts, United States Library of Congress, quoted from Morales, *op. cit.*, p. 80.

remedy the policy of benign neglect which it had so far imposed upon her small Caribbean colony.

Changes began to occur with the advent to power of the enlightened Bourbons in Spain, personified in Charles III and his reforming administration. A new policy of interest towards the long forsaken islands began to take shape as a result of the crippling financial consequences that the almost constant state of war had had on Spain during the eighteenth century; the unsafe navigating conditions in the Caribbean resulting from the same wars; and the realisation that Puerto Rico and Cuba held resources, land sugar, tobacco, coffee and slaves, which could be put to use providing income to the Crown in the same manner as the non-Hispanic Caribbean had proved profitable to other European states. For what seems to have been the first time in nearly 300 years, it appeared that the agricultural potential of Puerto Rico and Cuba might be developed in terms of the production of sugar, so that the king could profit from a trade which, after all, forbidden or not, was so evidently present.

It was at the conclusion of the Seven Years War, in which Spain had supported France against the British, that the government of Charles III first manifested its interest in reorganising imperial rule in the West Indies. The idea was to channel the earnings of a vastly profitable illicit trade in which the English were both the main culprits and profiteers. To this effect, an Irishman at the king's service, Marshal Alejandro O'Reilly, was sent to Puerto Rico as a Crown envoy to compile a full report on the island's situation, a task which he carried out with utmost diligence. In his report, O'Reilly made several suggestions in tune with the spirit of the times. First of all, he offered the foreign West Indian islands as examples to the king on how other powers had used their colonies to their full potential. He proposed the passing of new laws regarding the redistribution of land to new farmers, and

encouraging the development of agriculture by promoting the immigration of men with capital willing to invest in sugar mills. He was furthermore convinced that the island's trade should be reorganised through legal channels for the crown to be able to derive its full advantage. He also saw it necessary to reorganise the military system in Puerto Rico, a task which he proceeded to do himself.¹⁰

From O'Reylley's visit to the outbreak of revolutions in America and Europe (1776 and 1789) some efforts were made to stimulate the island's economy. These were mainly geared towards reaffirming Spanish monopoly over trade and denouncing smuggling although some internal reforms were also forthcoming, such as the granting of land titles to landowners and the legalisation of foreign immigration provided the newcomers were skilled workers or experienced farm owners, they were Roman Catholics and swore allegiance to the king of Spain.¹¹ In August, 1764, a monthly mail service between Spain and its West Indian colonies, including Puerto Rico, was set up. Pilots were made responsible for any smuggling occurring in their packet boats. The following year, in a long over-due reversal of policy, Spain opened several Peninsular sea ports other than Seville to trade with the West Indies and for the first time allowed the islanders to trade legally amongst themselves by removing the ban on coastwise trade and intercolonial exchange. It did not, however, open any new ports in Puerto Rico. A six per cent import duty on all articles arriving at the island was stipulated. As with the monthly mail packets, strict regulations to prevent smuggling were laid down though not always followed.

These measures were largely directed at increasing

¹⁰Morales, *op. cit.*, pp. 83-84.

¹¹*Ibid.*, pp. 90-91.

the commercial relations between Puerto Rico and the Peninsula, but as usual, economic reality weighed heavier than Spain's exclusivist policies. Once again, it was the increasing need for labour in the Spanish colonies which prompted the government to make certain concessions to foreign trade. Puerto Rico was chosen as the distribution centre of African slaves in the Caribbean area and permission was granted, first to a private individual, Don Miguel de Uriarte, in 1764, then in 1766 to the Caracas Company to introduce their human cargo. This unfortunate trade could be carried out in foreign, namely British, vessels although no other merchandise could be transported in them, but in view of the island's long tradition of contraband, their presence proved an irresistible temptation to the islanders. Further legal concessions were eventually made allowing these ships to import clothing and provisions for the slaves; again the privilege was frequently abused and the illicit importation of foreign flour from the British North American colonies became so common that it was legalised, albeit with certain restrictions, in 1769. In 1780, given the good Franco-Spanish relations that had developed as a consequence of the Bourbon pact, Puerto Rico was allowed to buy slaves (but no flour or goods of any kind) from the neighbouring French colonies. In 1789, a royal decree legalised the importation of slaves, free of duty, from traders of any nationality, to Puerto Rico, Cuba, Santo Domingo and Caracas. Foreigners were restricted to bringing their cargoes in vessels of under 300 tons, which could not stay longer than 24 hours in any port.

By the end of the 1780's, therefore, Puerto Rico's trade was conducted on three levels. First, there was the legal trade with Spain which was still negligible. It did not average more than 10,000 pesos per annum and consisted mainly of exports of coffee, *malagueta* and hides and imports of wines, oils, clothing and some

luxuries. Then, there was the legal foreign trade which was largely restricted to the importation of Negroes and flour. Finally and most importantly, there was the illegal trade which was still rife and was being carried out in the same vessels as the legal trade and otherwise. Puerto Rican hides, coffee, tobacco, cotton and cattle were exchanged for illegal provisions and manufactures of every possible category. Contraband was easiest away from the capital, the administrative and military centre of the island. Burdened by restrictive regulations on coastwise navigation, San Juan often saw it necessary to supply itself from Cuba, Santo Domingo or Venezuela with articles, such as sugar, tobacco and pork, which were being produced in the island's interior.¹²

The late 1770's and early 1780's introduced a new contender in the battle against Spanish exclusivism. In 1775, the Thirteen Colonies of North America commenced their war of independence against British rule. Spain joined the conflict on the American side in 1778 and soon after, the flow of Spanish goods to its West Indian colonies was virtually paralysed by British privateers in the Caribbean. When it became evident that the situation in Cuba was reaching dire proportions, Spain was obliged to open the ports in that island to trade with its American allies. Once peace was restored, in 1783, Cuban ports were promptly closed and the legal trade between the United States and that island virtually disappeared. The opening of Cuban ports had been meant only as an emergency measure but in fact it set a trend that would prove impossible to reverse.¹³

The ever-present need for labour in the Caribbean,

¹²For more detailed information on Puerto Rico's trade during the 1760's-80's, see Morales, *op. cit.*, pp. 88-95, which is also the source of the preceding information.

¹³Roy F. Nicols, "Trade Relations and the Establishment of the United States Consulates in Spanish America, 1779-1809", *Hispanic American Historical Review*, Vol. XIII, No. 3, August 1933, p. 291; and Sonesson, "Puerto Rico's Commerce...", pp. 29-30.

especially in Cuba, asserted its predominance over Spanish exclusivism once more in 1789 when an edict was issued allowing the entry of ships bringing African slaves, which as usual, lent itself to frequent smuggling of goods. Four years later, in 1793, Spain joined the monarchical allies against republican France. French privateers soon crippled Spanish trade in America and as a result, Governor Don Luis de las Casas, given this new emergency situation, exercised his discretionary powers in Cuba and opened the island once more to imports of United States provisions. The governor's measure was soon sanctioned by Spain and two years later, the captain-general in Puerto Rico was forced to imitate the actions of his colleague in Cuba given the desperate supply conditions in San Juan. This trade however was not an easy one due to the abundance of British and French privateers in the Caribbean who often attacked mercantile ships from enemy and neutral nations indiscriminately. It was further hindered by Spanish profiteering. Once the trade with Cuba was officially condoned by Madrid, a network of Spanish consulates was set up throughout the North American east coast, imposing the need to purchase permits from the consuls on anyone wishing to sell provisions to Cuba. This obviously pushed up the prices of United States provisions to the Cuban consumers. United States traders furthermore had to contend with the hostility of the Spanish authorities on the island who evidently regarded North American republican ideas with utmost suspicion. When peace resumed, in 1795, all ports were promptly closed once more and United States legal trade with the region virtually disappeared for a second time.¹⁴

In 1797, Spain had rejoined the old conflict, this time on the opposite side. The renewed state of war prompted Spain to reopen all her Atlantic colonial ports

¹⁴Nicols, *op. cit.*, pp. 292-295.

to neutral trade that year. Two years later, however, the order was reversed, at least partly through the instigation of her French ally who strongly distrusted United States presence in the West Indies. "But it was not to be as bad as it seemed", Roy Nicols confides. "Spanish regulations seldom were". Indeed convenient loopholes were found for the introduction of United States goods in the Spanish West Indies, and consequently, this trade was hardly affected.¹⁵

The frantic opening and closing of West Indian ports to neutral foreign trade that characterised the last quarter of the turbulent eighteenth century, persisted throughout the first decade of the nineteenth with the continuation of the Napoleonic Wars. After 1492, European conflicts had always had repercussions across the Atlantic, especially in Caribbean waters where a wide variety of states held colonies and commercial interests, especially after the seventeenth century. Hostilities in Europe translated into increased privateering in the Caribbean with detrimental effects to all merchant shipping. Spanish trade with its colonies would have suffered even if the country had not been involved in the constant European struggles that plagued these tumultuous years; but not a conflict went by without Spain's involvement, each one taking a greater toll on its enfeebled mercantile fleet.

Confronted with Spain's erratic trade policy, the West Indies soon began to ignore orders of port closure. Spanish authorities on the islands frequently chose to turn a blind eye provided they were rewarded for their indulgence. Foreign trade continued as it always had in the Spanish islands with or without metropolitan sanction, only this time more openly than ever and more frequently than not with their new commercial partner, the United States.

¹⁵*Ibid.*, p. 310.

The first outbreaks of insurrection against Spanish colonial rule in the American territories coincided with Napoleon's invasion of Spain creating new tensions in the Peninsula. Invaded and kingless, the country's resisting forces organised a Junta Central in 1808 which was obliged to contend with the American rebels and consider measures of pacification, diplomatic or military. The subject of free trade for the American territories loomed high in the Junta's agenda. A sizeable faction within the provisional government realised that Spain had little resources with which to oppose the American revolutionaries and acknowledged that the insistence on military force would only make matters worse. They were in favour of granting free trade, in varying degrees, as a pacifying measure. In this way they also hoped to gain the support of various European countries, especially Britain, instead of incurring in their displeasure. On repeated occasions, Britain manifested its willingness to act as a mediator in the conflict, but its services were always conditioned to being allowed legal trading privileges in the area. Opposing any such concessions was the powerful merchant guild of Cádiz, the *Consulado de Cádiz*, who had gathered considerable clout when the Junta was driven to choose that city as its seat. Their strategy included newspaper propaganda, lobbying and actually financing military expeditions to America. They alleged that free trade would mean the sure loss of the Spanish Empire and the ruin of Spain's commerce and industry.¹⁶

Nevertheless, in 1810, the Junta Central decreed various reforms for Santo Domingo. These included free trade, the cancellation of various debts and the restoration of the archbishopric of Santo Domingo. The measures were meant as a reward to the Dominicans for

¹⁶See Michael P. Costeloe, "Spain and the Latin American Wars of Independence: The Free Trade Controversy, 1810-1820", *Hispanic American Historical Review*, Vol. 61, No. 2, May, 1981, *passim*.

their loyalty towards Spain against French and Haitian occupation. In reality these generous concessions were of little significance to the Dominicans, Spain or the rest of its empire. In the words of Timothy Anna,

Santo Domingo was all but lost anyhow and it counted for so little in colonial affairs that there is no indication that any major American territory was even aware of its having been granted absolute free trade, nor is there any indication that local affairs in the colony permitted such a trade.¹⁷

In Puerto Rico and Cuba, the situation was different. Cuban trade with its North American neighbour had continued to grow, while the 1812 war between the United States and Britain briefly put Puerto Rico in the profitable position of transshipment point of the commercial exchange between both belligerent countries.¹⁸ Indeed, the two islands which were soon to become the sole remnants of the Spanish American empire, stood little to gain or lose at the time, from the debates that were taking place in Spain concerning free trade for the colonies. In effect, albeit with certain restrictions, both colonies were already enjoying this privilege. This is why when, upon Ferdinand VII's return to the Spanish throne in 1815, a royal decree was issued formally granting the island free trade with foreign countries for a trial period of 15 years, the document was received more as an official confirmation of a well-established fact, than as a novel and progressive piece of legislation.

As a document, the importance of the 1815 decree, or *Cédula de Gracia* as it came to be known, has often been over-emphasised by historians seeking what Francisco

¹⁷Timothy Anna, *Spain and the Loss of America*. Lincoln, University of Nebraska Press, 1983, pp. 53-54.

¹⁸Sonesson, "Puerto Rico's Commerce...", p. 30.

Scarano rightly terms a "monocausal explanation of a complex, multifaceted process".¹⁹ Its real importance is that it gave official character to a series of practices that had been taking place in the island since the last decades of the eighteenth century, putting an end, both in theory and in practice to Spanish exclusivism in Puerto Rico. These measures included, besides the legalisation of direct trade with foreigners, free commerce with Spain and the elimination of duties on imports of machinery, agricultural implements and slaves. Foreign immigration, which had been first allowed in 1778, was further encouraged by granting land from the royal domain to every foreign entrepreneur who settled on the island in proportion to the number of slaves owned. They were also exempted from the payment of taxes for the first five years of residence. These grants to foreigners were still, however, at least in theory, only applicable to Catholic immigrants.

Thus, although strictly speaking, the year 1815 does not mark the beginning of legal foreign trade in Puerto Rico, it did represent the start of a new era in which this trade was finally allowed to continue uninterrupted until the end of Spanish rule in the island, and with the full backing of the metropolitan government. Furthermore, the 1815 decree is interesting in that, apart from the fact that it was a document that basically yielded to reality, it's drafting as one concise piece of legislation also reflected the growing importance that the two Caribbean colonies, Cuba and Puerto Rico, were acquiring in the eyes of the metropolis given the fact that, although Spain was unwilling to accept it, the rest of the Spanish American empire was gradually being lost. This trend continued into the 1820's when the Provisional Junta during the Second Constitution made a point of

¹⁹Francisco Scarano, *Sugar and Slavery in Puerto Rico: The Plantation Economy of Ponce, 1800-1850*. Madison, University of Wisconsin Press, 1984, p. 18.

appointing only skilled and loyal governors to both of the islands. "...Striking a point that would begin to loom ever larger in government planning," says Anna,

the junta urged that special care be taken in selecting officials for Cuba and Puerto Rico, 'which form the bulwark of the New World and the precious key to New Spain'. As the rebels whittled away at the Spanish control of America, the Caribbean islands took on an importance that they had not previously possessed. Soon Spaniards would console themselves that rule over Cuba and Puerto Rico somehow made up for the loss of the other lands.²⁰

The reforms and changes of the era were instrumental in bringing about the development of Puerto Rico's agricultural potential pushing it out of the level of subsistence farming which had characterised it for three centuries into a thriving export agriculture which centred on the most profitable crop of the time, sugar. According to Sidney Mintz, the island's output increased from approximately 9,000 tons in 1827-28, to some 65,500 tons in 1860-61.²¹ The times could have hardly been more propitious for the cultivation of sugar. The collapse of French Saint Domingue as the world's greatest sugar exporter due to the revolution that created the free Republic of Haiti at the end of the eighteenth century, lent a very helpful hand. Sugar exports from Haiti plummeted from a massive 81,500 tons in 1791, to just over one ton in 1825.²² This happened at a time when world consumption of sugar, especially in those countries which were experiencing a growth in their manufacturing sectors, was steadily on the increase.

²⁰Anna, *op. cit.*, p. 227.

²¹Sidney Mintz, *Sweetness and Power: the Place of Sugar in Modern History*. New York, Penguin Books, 1985, p. 99.

²²J.H. Parry, P.M. Sherlock and A.P. Maingot, *A Short History of the West Indies*. London, Macmillan & Co., 1981, p. 170.

The events of the late eighteenth and early nineteenth centuries were therefore responsible for Puerto Rico's development into an export economy and for its integration into world trade. They were also to determine the form which the island's new trade patterns would assume.

2. The influence of the United States in the trade of the Spanish West Indies

Emerging as a new and increasingly powerful nation, the United States consistently took advantage of its proximity to the West Indies and its neutral position in the European conflicts, to develop a strong commercial relationship with Cuba and Puerto Rico. Of the two, the rich colony of Cuba was decidedly the most important and as the United States entered its long and steady phase of expansionism, the possibility of annexing Cuba would become an ever increasing temptation. In the words of Eduardo Galeano:

Geographic proximity and the advent of beet sugar production in France and Germany during the Napoleonic wars made the United States the chief customer for Antillean sugar. By 1850 the United States was absorbing one third of all Cuban trade, selling it more and buying more from it than Spain, whose colony it was...²³

United States influence in Cuba was to become legendary. As early as 1783, John Adams, who would be elected the second president of the United States in 1797, mentioned his views on the islands of Cuba and

²³Eduardo Galeano, *Open Veins of Latin America. Five Centuries of the Pillage of a Continent*. Translated by Cedric Belfrage. New York, Monthly Review Press, 1973, p. 83.

Puerto Rico: "Trade with the West Indies is an integral part of our mercantile system. They cannot be without us nor can we be without them."²⁴

He believed that any attempt from Spain to interfere in his country's trade with the islands would inevitably result in their political annexation to the United States.

United States control of Cuban commerce was both swift and sweeping and by the end of the nineteenth century, that island was almost totally dependant on its northern neighbour, to such a degree that, as Roland T. Ely points out, the issue concerning direct political control had become largely academic.²⁵ Already, in 1804, when Cuban ports were opened to United States trade as a result of the Napoleonic Wars, indications of the North American nation's direct territorial interests in that island became manifest. The United States had by then acquired Louisiana and had a clear interest in Florida. Spain's mistrust of United States intentions towards Cuba grew as Jefferson (elected president in 1801) made his views on commerce evident: it was not the government's function to promote commerce but it was perfectly admissible to use it as a diplomatic weapon. Having acquired Louisiana and holding high hopes towards Florida, it was evident that Cuba and Mexico were next in line.²⁶

But the Napoleonic Wars were indirectly also responsible for introducing competition into what was fast becoming a monopoly of Cuban trade by the United States. When Napoleon deposed the Spanish monarch in

²⁴Yamila Azize, ¿Intersaban los Estados Unidos a Puerto Rico antes de 1898?" *Homines*, Vol VIII, No. 1, 1984, p. 77.

²⁵Roland T. Ely, *Cuando reinaba su majestad el azúcar. Estudio histórico sociológico de una tragedia latinoamericana. El monocultivo en Cuba: Origen y evolución del proceso.* Buenos Aires, Editorial Sudamericana, 1963 p. 56.

²⁶Nicols, *op.cit.*, pp. 306-307.

favour of his brother Joseph, Spain quickly enlisted the help of the British armed forces. Britain suddenly became Spain's ally and colonial ports were laid open to British trade. Furthermore, Spanish commerce in Cuba was increased due to the protection it received from the British fleet. This sudden cordiality shattered the monopoly which the United States had hitherto enjoyed in Cuba meaning that United States merchants now had to compete with both the British and the Spanish for participation in that island's trade.²⁷ Nevertheless, the United States continued to have advantages over Britain in its trade with Cuba. Besides the most obvious one of geographic proximity, there was the fact that the United States had no West Indian colonies. It therefore had no colonial interests to protect and could afford a more liberal tariff policy on tropical imports.²⁸ United States' relations with Cuba therefore grew stronger and tighter. Cuba became the only country in all of Hispanic America in which the United States managed to maintain its commercial predominance throughout the century in spite of British competition. "British trade with this island probably never reached a value of four million dollars at any time between 1808 and 1830", says J.F. Rippy, "while that of the United States averaged about nine million dollars annually."²⁹

Overshadowed by its impressive sister colony, Puerto Rico was to excite no such imperialist impulses from the North American nation, or if it did, these were nowhere near as intense as those provoked by Cuba. In April, 1858, John Slidell, a leading Southern diplomat hinted at

²⁷*Ibid.*, pp. 310-311.

²⁸Ely, *op. cit.*, p. 128.

²⁹J. Fred Rippy, *Rivalry of the United States and Great Britain over Latin America (1818-1830)*. Second edition. The Albert Shaw Lectures on Diplomatic History, 1928. New York, Octagon Books, 1964, p. 304.

the benefits of annexing Puerto Rico³⁰ but his comments appear to be an isolated instance. Annexationist intentions were primarily directed towards Cuba at this stage and, when Puerto Rico was mentioned, it was usually in the context of that most desired prize, Cuba, almost as an afterthought of the great benefits that could be derived of annexing the larger island. Or, conversely: the annexation of Puerto Rico could be used as a stepping stone to Cuba.³¹

Imperialistic interests in both islands were to intensify as the century drew to an end, but until 1898, the United States managed to keep its urges under control deeming outright political control unnecessary as long as Spain's commercial policy remained favourable. A move towards annexation would have met with strong disapproval from Britain who had commercial interests in the area³² meaning that British trade with Cuba, in spite of United States' predominance, still represented a profitable business for Britain and furthermore, that that nation's trade with Puerto Rico could not have been insignificant.

But while United States influence in Puerto Rico during the nineteenth century never achieved the heights it was to reach in Cuba, this does not mean that its influence in the island's economy was slight. In the first decades of the nineteenth century, it was, without a doubt, the island's most important commercial partner, and although its importance to the island's economy would wax and wane throughout the century, it would remain a force to be reckoned with, especially for that sector of the economy that depended on the production of sugar. This explains the haste with which the United States

³⁰*The New York Times*, 3 May, 1858, p. 2, quoted from James W. Cortada, "Economic and Political Relations of the United States with Puerto Rico, 1855-1866", *Inter-American Economic Affairs*. Vol. XXVII, No. 2, Autumn, 1974, p. 7.

³¹Cortada, *op. cit.*, p. 7.

³²Rippy, *op. cit.*, pp. 71-90.

established its consulate in San Juan, as soon as laws relaxing foreign trade were passed and reiterated by the Spanish authorities in 1815. The British consul, John Lindegren, admitted in his first report on the island's commerce, in 1845 that "...the principal Trade of this island is with America, to which they have always exported a large quantity of sugar."³³

Indeed, during the first half of the 1840's, exports to the United States represented, on average, one third of the total value of the island's exports. (See Table 1) At least 50 per cent of Puerto Rico's sugar was being sold to United States buyers. This situation was to change, however, when Britain became an active customer for the island's sugar after 1846.

A comparison of United States trade relations with the two last colonies of the Spanish empire reveals an interesting situation. Although the United States' importance in Puerto Rico's trade was by no means insignificant, it was nowhere near as overwhelming as it was in Cuba. Although Puerto Rico's economy experienced periods of heavy dependency on the United States market (namely 1820-45) its trade escaped being monopolised by any single market. It evolved instead into a multilateral and international exchange. In its own modest way, Puerto Rico experienced what Eduardo Galeano has termed "the importance of not being born important", that is: the good fortune of being relatively uninteresting as a colony and therefore being allowed to go about one's own business without too much interference or exploitation from foreign powers. History's greatest exponents of this theory have been, of course, the Thirteen British Colonies of North America.³⁴

³³London, Public Record Office (henceforth P.R.O.) Foreign Office (henceforth F.O.) 72/683. Lindegren to Aberdeen, 14 January, 1845.

³⁴Galeano, *op. cit.*, pp. 145-148.

Table 1. Value of Puerto Rican Exports to the United States as a Percentage of all Exports, 1840-45 (in pesos)

Year	Exports to US	Total Exports	US as % of Total
1840	1,803,761	6,634,508	27.1
1842	2,474,513	6,429,257	38.4
1843	1,607,679	5,053,254	31.8
1844	2,469,942	6,204,764	39.8
1845	1,987,073	6,257,695	31.7

Source: Balanzas mercantiles de la isla de Puerto Rico (Henceforth: Balanzas) 1840-1845, Centro de Investigaciones Históricas de la Universidad de Puerto Rico. Figures for 1841 are illegible.

3. Saint Thomas as an intermediary in Puerto Rico's international trade

The legal trade which developed between the United States and Puerto Rico during the first half of the nineteenth century consisted mainly of an exchange of Puerto Rican sugar for United States provisions. Little in the way of manufactures, metals or wares of any sort came from any other source than Saint Thomas. This tiny Danish island with its liberal freeport policy and its strong merchant community which possessed well established connections with Europe, had developed a very strong trade partnership with Puerto Rico during the many years during which contraband had been the only realistic means of supplying the larger island with these articles. Like the United States, it had also benefitted from its neutral position during the wars of the late eighteenth and early nineteenth centuries, taking advantage of the

sporadic opening and closure of the Spanish West Indian ports, especially those of Puerto Rico, which was one of its closest neighbours. When foreign trade became legal in Puerto Rico, many local merchants chose to continue to do business with Saint Thomas both legally and illegally, especially outside San Juan, as the tradition of contraband with the Danish island was stronger away from the capital. Large sums of capital were needed to deal in international trade, and this was often not available to the local merchants in Puerto Rico, not least because of the island's problems with the scarcity of currency. Besides, the perils still involved in sea-faring in that area during the first half of the nineteenth century made the short voyage to Saint Thomas infinitely more desirable and less risky than crossing the Atlantic. Saint Thomas, even offered the advantage of occasional bargains as its loose port policy allowed pirates to sell their merchandise on the island at low prices.³⁵

The small Danish island therefore, continued to do a thriving business as middleman between European manufacturers and Puerto Rican importers. It became its larger neighbour's main supplier of British, German and French merchandise. The Saint Thomas houses had the advantage of proximity to Puerto Rico and, in many cases, personal knowledge of their customers. Consequently they could offer terms of credit that could not have been equalled by the European exporters had the Puerto Ricans attempted to do without their services. This knowledge of their neighbour also allowed them to select the right kind of merchandise and to import reasonable amounts which could be distributed from Saint Thomas not only to Puerto Rico, but also to the British and French West Indies at a time when the markets in the individual

³⁵Annie Santiago de Curet, *Crédito, moneda y bancos en Puerto Rico durante el Siglo XIX*. Río Piedras, University of Puerto Rico, 1989, pp. 35-38. For more detailed information on the trade between Puerto Rico and Saint Thomas during the nineteenth century see, Sonesson, "Puerto Rico y Santomas...", *passim*.

islands were still relatively small. In this way, the interests of the European exporters were safeguarded against unwise business ventures and the consumers on the islands received a much better deal than they would have done by direct trade. The relationship was therefore convenient to all. In 1830, for example, 53.5 per cent of the island's legal imports arrived from Saint Thomas. Of these, it seems fair to surmise (given Britain's advantageous position at the time) that the greater portion was British.³⁶

But this apparently convenient relationship did have its drawbacks. Most of the island's exports were being sold directly to the United States (49% in 1830). This meant that Puerto Rico had a trade deficit with Saint Thomas of nearly 2 million pesos which was almost certainly paid for in currency, a fact which greatly worried the authorities given the island's scarcity of coinage. The control that Saint Thomas held over Puerto Rico's commerce and the constant drain of currency from the larger island which resulted from this relationship, prompted the Spanish authorities to attempt to find means of discouraging it. They raised the tariff and imposed various customs difficulties on imports arriving via Saint Thomas. The Spanish government also attempted to establish a consul in Saint Thomas but found strong resistance from the Danish authorities who were aware that a large amount of the commerce between the two islands was illegal.

There was however a limit to the animosity which Spain could manifest towards Saint Thomas and this was of a political nature. If the Saint Thomas business community was discouraged by excessively punitive laws in Puerto Rico, Denmark might be tempted to sell the island to the United States. The Spanish were not blind to North American interests in Cuba and they regarded these

³⁶Santiago, *op. cit.*, p. 37. and Sonesson, "Puerto Rico's Commerce", p. 324.

with extreme apprehension. The Spanish authorities, both locally and in Madrid, therefore took care not to excite too much resentment from the Danes and tolerated the trade relations with Saint Thomas until the 1850's when other factors contributed to their progressive reduction. Until then, these were largely determined by the Danish island's advantageous credit facilities which were further strengthened by the establishment of the Saint Thomas Bank in October, 1836 as a reaction to the potential competition from the British Colonial Bank which had opened in July. The Saint Thomas Bank dealt in bullion, money and bills of exchange, also lending money on sureties. Soon after, the British Colonial Bank itself opened a branch in Saint Thomas and the small island could boast two solid financial institutions.³⁷

The link with Saint Thomas began to dissolve around mid century, and although official customs policy on behalf of the Spanish authorities in Puerto Rico, typified by the 1857 tariff, doubtless weighed heavily in its dissolution, other factors were also responsible. The abolition of slavery in the French and British West Indies had undermined Saint Thomas' position as a bulk buyer; the gradual restoration of peace and order in Caribbean waters made its proximity less of an attraction to Puerto Rican traders; the population increase in Puerto Rico and an overall increase in spending power made direct imports of manufactures less expensive as the quantities ordered locally became larger; as local merchants' experience in direct trade with Europe increased, business relationships and credit facilities were set up without the need of an intermediary in Saint Thomas. But one of the most influential factors in the deterioration of the business relationships between the two islands resulted from the insecurity involved in extending credit to Puerto Rican merchants. The scarcity

³⁷Sonesson, "Puerto Rico's Commerce", pp. 324-325.

of currency was often responsible for payment not being readily available even if the capital was. Furthermore, an outdated regulation known as the *Privilegio de Ingenios* which had been drafted in the sixteenth century to protect and encourage the sugar industry, made it virtually impossible to repossess an hacienda until its debts amounted to the full value of the estate.³⁸ This made credit risky for local merchants which, in turn, obviously made the merchants in Puerto Rico less safe to deal with abroad. After the first half of the nineteenth century, some Puerto Rican debtors took advantage of the official animosity towards Saint Thomas trade to refuse outright to meet their obligations, conscious of the fact that their creditors would receive little sympathy from the Spanish judicial system on presenting their grievances.³⁹

The elimination of the Danish intermediary would be welcomed by many sectors of the merchant community in Puerto Rico, not the least by the San Juan traders who saw little advantages at this time in conducting their British trade through a middleman and were willing to establish direct business relations with the suppliers of such important articles as textile manufactures, metalware and machinery. They were also encouraged by recent changes in Britain itself which made the island's most important export commodity, sugar, attractive to the British market. Indeed, the establishment of differential duties in Puerto Rico in 1856 to encourage direct trade was highly welcomed by the British Consul, George Lennon-Hunt who saw in it the possibility of releasing the island of the "sort of commercial vassalage in which it (had) been held for so many years by the

³⁸See *infra.*, pp. 236-238.

³⁹Santiago, *op. cit.*, pp. 39-43 and Sonesson, "Puerto Rico's Commerce", pp. 358-359 and 325-326.

island of Saint Thomas."⁴⁰. And he had reasons to be optimistic:

...for the first time last year, two cargoes of manufactured goods were imported from England by a Spanish firm, who were so successful in the undertaking that they have this year dispatched a confidential agent to make further purchases; and several other dealers in dry goods, hitherto accustomed to make all their purchases at Saint Thomas, have imitated this example.⁴¹

* * *

Between the last few decades of the eighteenth century (especially the last two) and the middle of the nineteenth century, Puerto Rico's economic reality had undergone a complete about face. From a subsistence economy bound by Spanish exclusivism to a meagre legal trade with the metropolis, boosted by a thriving and necessary contraband exchange with foreign traders, it had emerged in the 1850's as one of the world's principal exporters of sugar and had become integrated in the multilateral and international trade patterns of the time. Until the last few years of the 1850's, it is true, Puerto Rico's trade would appear to have been conducted mainly with three customers only: the Peninsula, the United States and Saint Thomas. But grouped under the category of "Foreign Antilles", a term which applied mainly to Saint Thomas, was merchandise of a wide variety of origins, usually European and mainly French, German and especially British.

⁴⁰General Report by Mr. Hunt, British Consul at Puerto Rico, upon the Trade of that Island for 1856. Parliamentary Papers (henceforth, P.P.) 1855-57, 1857-58 [2435] LV.197.

⁴¹*Loc. cit.*

CHAPTER 2. A SWEET UNION: PUERTO RICO'S PARTICIPATION IN BRITISH OVERSEAS TRADE

It would be quite redundant, for the purposes of this essay, to retell the history of Britain's progressive industrialisation and how, in the course of less than a century, it gradually achieved the lead in the international financial and mercantile community. Suffice it to say that it is hardly possible to comment on the history of any country's trade during the nineteenth century without taking into account Britain's participation in it, and that Puerto Rico was by no means an exception. To quote Ralph Davis:

Nineteenth-century Britain was a vast productive engine that poured out goods for which there was a rising demand. There was not much scope for substitution on the import side, and little more on the export side so long as Britain was the only country with a large modern industry.¹

Relevant to our subject, however, are three aspects of Britain's industrial development. The first one refers to Britain's external trade, particularly with Latin America, the assessment of which will allow us to place its trade with Puerto Rico in a wider context. Secondly, it would be useful to analyze the trends in

¹Ralph Davis, *The Industrial Revolution and British Overseas Trade*. Leicester, University Press, 1979, p. 53.

British consumption of that unique tropical commodity, sugar, which was to act as a catalyst for the development of an active trade between the two countries, particularly after 1846. Finally, British interests in Puerto Rico as a market for its manufactures and as a supplier of sugar coincided with diplomatic considerations regarding the slave trade to bring about the establishment of the first British consulate in San Juan in 1844. An examination of these factors forms the basis for consideration in the present chapter.

1. The development of British trade with Latin America

The role of external trade in Britain's industrial development has been the subject of much debate amongst economic historians. Initially, it had been assigned a causative effect, but a newer and opposite view promoted by such authors as A.H. John, D.E. Eversley, P. Dean and W.A. Cole, of the "optimist" school of thought, assessed the importance of foreign trade in British industrial development as unimportant. The optimists held that demand from British products had not sprung from abroad but from increased domestic spending as average incomes rose and food prices went down.

A more recent position, expounded by Ralph Davis attempts a compromise between both theories reaching what might appear to be the soundest conclusion. Davis believes that while overseas trade did not have a direct effect in bringing about the Industrial Revolution in Britain or in supporting it through the first stages of its progress, it was however crucial in maintaining its momentum. The new accelerated growth that took place in Britain during the 1780's arose, according to Davis, from the supply side of industry, from technological changes in the manufacture of cotton textiles, an industry which had hitherto been rather unimportant. The take-off of

this new industry created new needs and new customers, both at home and abroad, "setting into motion a movement towards a new kind of industrialism in other spheres which in time engulfed the whole economy and society."²

Overseas trade, therefore, did much to strengthen the British economy during the eighteenth century, helping to create a base that sped up the industrial take-off. It was also crucial for further expansion once home demand ceased to be enough to sustain the momentum of growth of the most advanced industries around 1800.

In its earliest stages, Britain's most important commercial partners had been its own North American colonies (later to become the United States) and continental Europe. In exchange for its manufactures, Britain supplied itself with raw materials from North America (especially cotton) and with foodstuffs from Europe. This is not to say that British merchants had no interest in the rest of the world. The East India Company had been exerting its influence in the Asian subcontinent from the second half of the seventeenth century and British insistence on engaging in forbidden commercial exchange with Spanish America had been the main reason behind the "War of Jenkin's Ear" of 1739, which H.W.V. Temperley has called "perhaps the first of English wars in which the trade interest absolutely predominated, in which the war was waged solely for balance of trade rather than balance of power."³ Indeed, Robert Walpole's memoirs of the time indicate how, between 1738 and 1739, English domestic and colonial policy had been almost completely dominated by the question of Spanish American trade.⁴ It is not surprising therefore that when Britain's hold on its two traditional trading partners,

²*Ibid.*, pp. 9-10.

³Temperley, "The Causes of the War of Jenkin's Ear", p. 197.

⁴Temperley, "The Relations of England with Spanish America", pp. 236-237.

Europe and the United States, began to slacken, it should turn its interest to both Asia and Latin America as ideal substitutes.

Towards the end of the eighteenth century, the nature of the European and United States market was transformed as each began to develop its own native industries. British trade with these areas eventually became more one of semi-finished goods, such as yarns for textiles and metals for construction, to further their own process of industrialisation. In Latin America and Asia, however, a new kind of export market began to develop: poor, primary producing countries whose capacity for industrialisation was so low that they could be expected to remain buyers of British manufactures for an indefinite future. Of course, Britain still controlled extensive tropical colonies which served much the same purpose as the markets of Asia and Latin America, and it was also acquiring new ones, but the gradual adoption of a policy of free trade signified the end of all colonial privileges, and encouraged British manufacturers to seek as many markets as they wished, when and where it was convenient.⁵

In the early nineteenth century, trade with Latin America looked particularly promising. Ports had been closed off in Europe during the Napoleonic Wars, and in the United States during the 1812-14 war. This created a ready market for Latin American goods in Britain, such as tallow, hides, cotton, etc. As a consequence, British goods flooded the Latin American markets, in some cases, to the point of saturation. This all coincided with the independence of many of the new republics and the enthusiasm generated by the opening of new markets, especially at a time when even Britain's own West Indian colonial market had become somewhat stagnant. The break with Spain and an increased contact with foreigners

⁵Davis, *op. cit.*, pp. 32- 35.

created changes in taste and a new acceptance of English, North American and French furniture and dress, particularly amongst the upper classes. Availability of the new products, sometimes at glut prices during this era, also collaborated in creating new "necessities" for Latin American society.⁶

However, this boom did not last long, petering out when Britain's traditional suppliers resumed their normal trading but leaving the territory with a reputation for fast profits which, according to D.C.M. Platt, was entirely undeserved. Indeed, in Platt's estimation, the Latin American market for British goods was never as favourable as it appeared to be. First of all, most of the Latin American countries, with the possible exception of Brazil and to a certain extent Argentina, did not have export-oriented economies. Furthermore, the vast majority of the people, especially the poor, consumed home-made hand-craft manufactures. Only the very rich in certain port cities could afford British imports. This was especially true of cotton and woollen textiles, which were unable to meet home competition even when their price began to fall, but it also applied to metal finished goods.

The real position is shown clearly enough in the figures for the total exports of the United Kingdom to the entire continent of Spanish America and Brazil, which, even as late as 1841-50, averaged only £5.7 million per annum. With so large a part of this absorbed by one market, Brazil, it is obvious that the remainder, spread among the populations of every Republic, was likely to go only a short way towards meeting local demand for manufactured goods. Local demand, such as it was, continued very largely to be satisfied by local cottage and workshop production.⁷

⁶D.C.M. Platt, *Latin America and British Trade, 1806-1914*. London, A&C Black, 1972, pp. 23-39 and 43- 47.

⁷*Ibid.*, p.22.

The unstable Latin American market with its relatively small demand for British goods and high competition from local handicraft industries, proved unattractive for trade or investment. Most British merchants in Latin America were merely consignees of large companies in Great Britain. When competition glutted the markets and credit contracted in the mid 1820's, they had little to gain and much to lose by remaining in Latin America. After the first of several nineteenth century crisis (that of 1825) many British manufacturers and merchants felt more inclined to invest in the home market or the more familiar markets of Europe, the colonies or the United States.⁸

Central to Platt's thesis is his defence of Britain's poor show in the Latin American markets after 1825. He puts down the withdrawal of merchant houses not to defeat but more to sound business judgement. The Latin American markets, according to Platt, were just not profitable enough. The fact that the British consuls themselves were clearly worried at the contraction of their country's trade with the region, Platt can only ascribe to ignorance:

The cries of alarm from British consuls, and of triumph from our competitors, at the withdrawal of the British mercantile house from nineteenth-century Latin America, merely highlighted their own inexperience. What might have looked like a defeat in one market was, often enough, a soundly argued decision to transfer limited resources to markets offering safer, more consistent and higher returns.⁹

If that was the case in the rest of Latin America,

⁸*Ibid.*, pp. 53-55.

⁹*Loc. cit.*

it certainly was not the case in Cuba or Puerto Rico. Neither island possessed anything resembling a national industry of textiles and/or metalwork. They relied entirely on imports for all of their clothing, and indeed, for most of their necessities, even for products that were (or were soon to become) staples of the national diet, such as rice and codfish. More important is the fact that, although Platt neglects to include them in his very short list, both islands were excellent examples of Latin American export economies, and if Puerto Rico, it may be argued, did not arrive in the sugar scene until the 1820's, this is still well within the period (1806-60) to which Platt applies his theory. In any case, the omission of Cuba, who had been well on its way to becoming the world's main sugar exporter as soon as Haitian production collapsed in the 1790's, is quite inexcusable. Platt justifies his omission of Cuba and Puerto Rico as important trade partners for Britain before 1860, by brushing aside Caribbean sugar as unattractive to the British market. "Preferential duties in favour of British Possessions," he says, "made it almost impossible for two of the main export products of Latin America, sugar and coffee, to enter the British home market; the sugar duties lasted until 1854, the coffee duties until 1851."¹⁰

Although it is true that preferential duties for colonial sugar were not eliminated until 1854, their final abolition was part of a process which had begun in 1846. Already, that year, 11.5 per cent of the sugar consumed in Britain was of foreign origin --not a small amount, considering that Britain was at the time the world's greatest consumer of the sweet. By 1853, the percentage was up to 21.3. It is true that the proportion leapt to 30.5 per cent in 1854 with the final abrogation of the differentials, from where it continued

¹⁰*Ibid.*, p. 2.

to rise, but, 11 and 21 per cent of the nation's consumption can hardly be said to reflect an "impossibility" of foreign sugar imports. The fact is that demand for sugar at the time was extremely high in Britain and imports of sugar from the Spanish Caribbean were becoming increasingly more attractive.

2. The British sweet-tooth and its influence in overseas trade

Until the beginning of the eighteenth century, sugar was a product wanted by everybody but which only a few could afford. From its earliest rise in popularity, sugar encountered very few rivals. Up to the seventeenth century, its only real competitor had been honey. But sugar's advantages over honey for the Europeans, soon pushed the latter far behind in demand. Besides being a sweetener of allegedly better taste, sugar was prized as a spice and a preservative, a very adaptable material for the confection of ornamental delicacies, and furthermore, thought to possess medicinal powers. The qualities of sugar were to turn it into an indispensable product for which demand was ever-present, latent, only awaiting an abundant supply to push the prices down.

During the seventeenth century, the British West Indies began to produce sugar abundantly. The British production of sugar soon surpassed that of the Spanish, the Portuguese and the French, overtaking them not only in the home market, but in the continental market as well, yet home demand was so overwhelming that it was soon possible to neglect the European market and concentrate on keeping England supplied with sugar. After 1655, when the first of the British sugar islands, Barbados, produced for the first time for export, the sugar supply of England would be provided within the

skein of the empire.¹¹ (See Table 2.) After 1660, England's imports of sugar from the colonies exceeded the total of all other colonial products combined¹², yet it was not until the eighteenth century that sugar became accessible to the majority of the British population.

A series of elements guaranteed the success of the British sugar islands in the Caribbean. The islands had good soil and an adequate climate for growing the cane. The slave-trade provided the necessary labour, and England possessed the available capital and the semi-industrial technology needed to produce sugar and provided a favourable state policy that did not impose high taxes on production. Their accessibility to a rich, demanding market was furthermore guaranteed.

By the end of the eighteenth century, the amount of money invested by the British in their Caribbean colonies was quite significant, and the volume of their trade with the islands was much greater than that with the whole of the East. (See Table 3.)

It is small wonder that during the early years of the Industrial Revolution, the Caribbean islands were known as the most valuable lands of the world. Sugar fetched high prices (see Table 4) and because the cost of production was relatively low, the industry was extraordinarily profitable.

¹¹Mintz, *op. cit.*, p. 37.

¹²*Ibid.*, pp. 44-45.

Table 2. Sugar Production in the British West Indies, 1788 (in tons)

Monserate, Nevis & St. Kitts	13,000
Antigua	9,000
Grenada	10,000
St. Vincent, Tortola & Anguila	7,000
Barbados & Dominica	9,000
Jamaica	56,000
TOTAL	104,000

Source: Bryan Edwards, *History, Civil and commercial of the British Colonies in the West Indies*. Vol II, London, 1794, p. 387, from José A. Benítez. *Las Antillas: Colonización, azúcar e imperialismo*. Havana, Casa de las Américas, 1977, p. 387.

Table 3. Comparative Commercial Relations of England with India and the West Indies, 1790

	East	West
Capital investments	£18,000,000	£70,000,000
Annual exports	1,500,000	3,800,000
Annual imports	5,000,000	7,200,000
Customs duties	790,000	1,800,000
Ship tonnage	80,000 tons	150,000 tons

Source: Benítez, *op. cit.*, p. 48.

Table 4. Range of Prices of Raw Sugar in Amsterdam/London, 1679-1800 (in shillings/cwt.)

Year	Price in Amsterdam	Price in London		Year	Price in Amsterdam	Price in London
1679	26	-		1740	26	32
1684	25	-		1745	38	40
1689	27	-		1750	14	28
1694	40	-		1755	33	36
1699	36	-		1760	30	32-48
1704	45	-		1765	27	32-43
1709	35	-		1770	33	31-33
1715	30	-		1776	19	30-50
1720	24	-		1788	19-25	34-46
1725	26	-		1795	35-49	42-75
1730	19	22		1800	74	32-70
1735	15	19				

Sources: For Amsterdam prices the source is Reese, *De Suiteerhandel van Amsterdam*, Vol. I. Harlem, 1908, Bijlage G., p. cxxxii; conversion is made on the basis of one Guilder equal to 1.818 shillings, and one Amsterdam lb. equal to 1.089 English lbs. For London prices, the source is: from 1730 to 1755, Public Record Office, Treasury 64, Bundle 274; for 1760-1800, Tooke and Newmarch, *History of Prices*, Vol. I. London, 1838-56, p. 344. Information extracted from Deer, *op. cit.*, Vol. II, pp. 530-531.

There is no doubt that during the eighteenth century sugar was the most valuable article in world commerce. In terms of value, it was the largest of British imports for a century and a half, down to the 1820's when it was overtaken by cotton.¹³ For a long time, no other foodstuff rivalled its importance in trade and its prominence only decreased when basic foods began to figure among the list of British imports. (See Table 5.)

¹³Ralph Davis, *op. cit.*, p. 43.

Table 5. Imported Foodstuffs in Great Britain,
1784-1856 (£000's)

Year	Sugar	Tea, Coffee & Cocoa	Wines & Spirits	Temper ate Foods: Grain, Meat, Butter	Other Foods	Total	Sugar as % of Total
1784-6	2614	2745	1519	538	1242	8657	30.2
1794-6	5934	4131	2835	2199	1412	16520	35.9
1804-6	6878	6408	3188	2899	2072	21444	32.0
1814-6	11128	7382	3758	2092	3242	27602	40.3
1824-6	6695	5143	3862	2413	2450	20563	32.5
1834-6	7070	4872	3992	2051	2695	20680	34.1
1844-6	8048	3805	3184	8402	3911	27386	29.3
1854-6	10944	6893	5672	23269	7691	54469	20.0

Source: Davis, *op. cit.*, p. 37.

The amazing success of sugar as a sweetener in Britain is linked to the history of three other exotic imports: tea, coffee and cocoa, of which tea has since remained the most important non-alcoholic beverage in the United Kingdom.¹⁴ The history of these three bitter, non-caloric beverages resembles that of sugar in that they started out as the privilege of the rich and were gradually made accessible to the poor. "By the time that tea and its sister drinks were taken up by the working people," says Mintz, "they were being served hot and sweetened. Well suited to the needs of the people whose caloric intake may actually have been declining in the eighteenth century, and for whom a hot sweet beverage must have seemed especially welcome given their diet and

¹⁴Mintz, *op. cit.*, p. 110.

England's weather, these drinks swiftly became popular."¹⁵

Paradoxically, as sugar consumption by the powerful decreased in importance, and its mass consumption was instituted, its production became more and more important to the English ruling classes. Mintz explains:

This is only an apparent contradiction. As the *production* of sugar became significant economically so that it could affect political and military (as well as economic) decisions, its *consumption* by the powerful came to matter less; at the same time the production of sugar acquired that importance precisely because the masses of English people were now steadily consuming more of it and desiring more of it than they could afford.¹⁶

According to Ralph Davis, "an entirely new taste for sweetness manifested itself as soon as the means to satisfy it became available...by 1750 the poorest English farm labourer's wife took sugar in her tea."¹⁷ Sugar became a necessity, present, at least in some small quantity, in every family allowance. This was reflected in a rather inelastic pattern of demand. If prices rose, consumers just spent more money on sugar; if they fell, consumption was not greatly increased. Such was the case of the rise in sugar prices due to the Haitian Revolution of 1791 which put Europe's largest supplier out of the market. The rise in prices was furthermore prolonged by the first war-time increase on duties. Although consumers seem to have been taken aback by this initially, they soon returned to their old consumption patterns, despite the rising prices. The long post-war depression concluded with the mid-century period of

¹⁵*Ibid.*, p. 45.

¹⁶*Ibid.*, p. 110.

¹⁷Ralph Davis, *The Rise of the Atlantic Economies*. Ithaca, Cornell University Press, 1973, p. 251.

prosperity. Rising incomes coincided with the progressive removal of duties on sugar and Britain saw a new steeper, yet still uniform slope in its increase in sugar consumption.¹⁸ In other words, after the mid-eighteenth century, the trend for sugar demand in Britain was one of steadily increasing consumption, which was little affected by changes in prices. If prices rose, demand remained fairly unaffected; if they fell, it did not increase significantly. (See Figure 1, p.83)

The price of sugar, on the other hand, varied considerably. During the nineteenth century, sugar production was very much subject to wide variations in harvest. The British market would respond to these fluctuations in output by changes in price as well as by adjustments to stock, but stock-holding was very limited and generally, any fluctuations in annual imports tended to be the result of crop variations. (See Table 6.)

Another faithful indicator of the importance of sugar in the English diet was its behaviour in the re-export market. At a time when Britain's re-export trade of tropical products was thriving, the re-exportation of sugar was on the decline. (See Tables 7 and 8.)

¹⁸Davis, *The Industrial Revolution...*, p. 31.

Table 6. British Sugar Consumption, Prices and Duties, 1784-1856

Year	Imported	Exported ^a	Retained	Population ^c	Retained per head	Price	Duty ^d	Total
1784	1893	348	1545	9.1	.170	29.3	25.9	55.2
1794	2270	806	1464	10,1	.145	57.5	15.0	72.5
1804	3337	1048	2289	11.2	.204	44.2	27.9	72.1
1814	4008	1857	2151	12.9	.167	59.0	30.0	89.0
1824	4336	1090	3246	15.1	.215	31.7	27.0	58.7
1834	4764	1248 ^b	3516	17.3	.203	32.4	24.0	56.4
1844	5395	1218 ^b	4177	19.5	.214	30.5	17.8	48.3

^aIncluding (i) until 1826, re-exports to Ireland, (ii) all exports of refined sugar, taking 10 Cwt. refined as the equivalent of 17 Cwt. raw sugar.

^bSince the figures from 1834 include Irish consumption, a deduction must be made for this. According to Customs Tariffs of the United Kingdom (Cmd. 8706, 1897), p. 223, sugar consumption in Ireland was as follows: 1804-6 292,000 Cwts.; 1814-16, 317,000; 1824-6, 407,000. The following estimates are made by projecting these in relation to population: 1843-6, 500,000; 1844-6, 550,000.

^cIn millions.

^dUntil 1844, the duty on colonial sugar.

Source: Davis, *The Industrial Revolution...*, p. 45. Note Davis' dates encompass two-year periods starting on the stated years (i.e. 1784-6, 1794-6, etc.).

Table 7. British Imports and Re-exports of Sugar, Coffee and Calicoes, 1794-1861 (in 000's of cwts.)

Year	Sugar Imports	Sugar Re-exports	Coffee Imports	Coffee Re-exports	Calico Imports	Calico Re-exports
1794-6	2264	811	283	247	1407	641
1804-6	3334	995	389	326	1510	1439
1814-6	3921	1848	648	940	949	856

Source: Davis, *The Industrial Revolution...*, p. 31.

Table 8. Percentages of Sugar Re-exported and Retained for Home Consumption in the United Kingdom, 1660-1856

Year	% Re-exported	% Retained
1660	66.7	33.3
1700	36.0	64.0
1730	18.0	82.0
1753	5.0	95.0
1784-6	18.4	81.6
1794-6	35.5	64.5
1804-6	31.4	68.6
1814-16	46.3	53.7
1824-6	25.1	74.9
1834-6	26.1	73.9
1844-6	22.6	77.4
1854-6	14.0	86.0

Sources: From 1660 to 1753, percentages were calculated from the figures offered by Mintz in *Sweetness and Power...*, p. 34. From 1784 to 1856, percentages were calculated using R. Davis' data, *The Industrial Revolution...*, p. 45 (Table 27).

In the seventeenth century, British-grown sugar was able to compete successfully in the European market, practically driving out the Portuguese product. Very soon, however, the British were to encounter French competition. In 1740, cheaper French sugar took over the European market. From then on, the British West Indies concentrated on the home market where they did not find demand wanting. As West Indian supply increased, British demand kept pace with it and by the middle of the eighteenth century, there was hardly any surplus of British Caribbean sugar, once the yearly demand of the mother country had been met.¹⁹ There were, however, two exceptions. The first occurred during the Haitian Revolution, when, as already mentioned, Europe's main supplier practically stopped producing and the islands partly made up for this deficit. The second was during the Napoleonic Wars (1792-1815) when Britain, gaining total control of the oceans, managed to undermine much of the trade of France and its territories, annexed enemy colonies and became the regulator of almost the whole of Europe's trade with the rest of the world.²⁰

British West Indian sugar production was protected at the time by the Navigation Laws developed in England in the 1650's. Before 1651, sugar, in common with all other articles paid a poundage of five per cent *ad valorem*. After this year, a specific duty was imposed by the Commonwealth government: 1s. 6d. per cwt. on raw sugar and 5s. per cwt. on white or clayed. Foreign sugar was charged double these rates.²¹ Subsequent laws passed on the regulation of duties were to change these rates allowing for different classifications of the product which were to emerge as sugar in "in-between" stages of

¹⁹Mintz, *op. cit.*, p. 39.

²⁰Davis, *The Industrial Revolution...*, p. 31.

²¹Noel Deerr, *The History of Sugar*. London, Chapman and Hall, 1950, 2 Vols, Vol. II, p. 427.

refinement (not raw, but not completely refined white) began to enter the British market. Up to 1840, however, the distinction between foreign and colonial sugar was at all times maintained with the former consistently paying roughly double the amount paid by the latter. (See Table 9.)

With the advent of the movement for free trade, epitomised in the Anti-Corn Law League (formed by Cobden in 1839) the protection of colonial sugar was placed in check. In 1846, under Peel's ministry, the Corn Laws were repealed. The equalisation of colonial and foreign sugar duties followed suit.

Table 9. Sugar Duties on Muscovado Entering England, 1787-1844 (to the nearest d./cwt.)

Period	Colonial	Foreign
1787-91	12s. 4d.	27s. 2d.
1791-96	15s. 0d.	29s. 6d.
1797	17s. 6d.	31s. 9d.
1798	19s. 4d.	33s. 4d.
1799-1802	20s. 0d.	34s. 0d.
1803	24s. 0d.	14s. 10d.
1804	26s. 6d.	59s. 6d.
1805-26	27s. 0d. to 30s. 0d.	60s. 0d. to 63s. 0d.
1830-40	24s. 0d.	66s. 2d.
1841-44	25s. 2d.	66s. 2d.

Source: Deerr, *op. cit.*, Vol. II, p. 430.

The process of equalisation did not take place without debate. The position of sugar was much more complicated than that of corn as it involved several delicate issues amongst which the persistence of slavery and the slave trade in Brazil and the Spanish Caribbean was outstanding.

Among the parties that participated actively in the heated Parliamentary debates that took place between 1840 and 1846, Noel Deerr has distinguished five. First, those whose sole interest was the slavery question, mostly residues of the old anti-slavery party. Secondly, those interested in free trade but vehemently opposed to slavery. Then, there were the followers of the Manchester School (led by Cobden and John Bright) unconditional advocates of free trade to whom the issue of slavery was of little importance. Their sole interest was that of securing "more sugar for more people at cheaper prices"²², and were the eventual winners in the debate. There were also the Whigs, led by Lord Russell and Viscount Palmerston, whose interests in destroying the slave trade did not, in their eyes, conflict with their readiness to accept slave-grown sugar. Finally, there were the representatives of the interests of the British East and West Indian colonies.

In 1844, a bill was carried reducing the duties on foreign free-grown sugar, from 66s. 1.75d. to 35s. 8.5d. per cwt. Slave-grown sugar and colonial sugar retained their old duties (66s. 2d. and 25s. 2d. per cwt. respectively).²³ In Puerto Rico, the British consul was duly informed of its passing via a circular dated 27 September.²⁴

It was not until 1846, under Lord John Russell's

²²Mintz, *op. cit.*, p. 161.

²³Deerr, *op. cit.*, Vol I, pp. 30-31.

²⁴P.R.O., F.O. 72/732, Lindegren to Aberdeen, 31 December, 1844.

ministry that a bill was introduced for the eventual equalisation of all duties. The bill eliminated the duty of 66s. 2d. per cwt. on foreign slave-grown sugar and brought it to the level of foreign free-grown. Both were to be admitted at 21s. per cwt. while colonial sugar would enter at 14s. per cwt. These duties would hold until 1848 when the duty on foreign sugar per cwt. would be lowered another shilling and from then on, 1s. 6d. would be reduced each year until it would be level with colonial sugar in 1851.²⁵ (For a better illustration of these reductions, see Table 10.)

In reality, the bill did not work out as smoothly as it did on paper. The West Indian planters did not remain silent. A report issued in September, 1848, based largely on the condition of the West Indian sugar industry prompted the acceptance of a bill which reduced the colonial duty on muscovado a further 4s. and extended the period of equalisation up to 1854.

Table 10. Reductions on Duties on Muscovado Sugars Entering England from 1845 to 1851, as Proposed by the Bill of 1846

Year	Colonial	Foreign Free-Grown	Foreign Slave-Grown
1845	25s. 2d.	35s. 8.5d.	66s. 2d.
1846	14s. 0d.	21s. 0d.	21s. 0d.
1847	14s. 0d.	21s. 0d.	21s. 0d.
1848	14s. 0d.	20s. 0d.	20s. 0d.
1849	14s. 0d.	18s. 6d.	18s. 6d.
1850	14s. 0d.	16s. 0d.	16s. 0d.
1851	14s. 0d.	14s. 0d.	14s. 0d.

²⁵Deerr, *op. cit.*, Vol. II, pp. 431 and 438.

Increases in sugar duties were introduced in 1854 to help finance the Crimean War, but as of 5 July that year, the distinction between foreign and British colonial sugar officially ended. The process of duty-reduction continued, culminating on 1 May, 1874, when, under Gladstone's 1864 statute, sugar was declared duty free.

The effect of the end of protectionism on the British West Indies was strongly felt. It seemed to culminate a series of difficulties that the sugar industry had been undergoing there since the abolition of slavery in 1834-38. "The West Indian colonies," declares Sidney Mintz, "continued to be subject to the metropolis and their populations were still compelled to provide labour for the plantations; but the metropolis soon freed itself to buy sugar when and where it wished."²⁶

Noel Deerr, however, disagrees with the belief that emancipation and free trade destroyed the British West Indian sugar industry. While it received a severe setback and underwent a period of depression, some of the islands not only recovered but improved, the exception being Jamaica, which like Demerara and Trinidad, was "handicapped by excess lands which could support a large and idle population, a handicap which was met elsewhere by immigration."²⁷

However, although the Anglo-Caribbean trade remained important in supplying sugar to the "mother country", its position was undermined, not least by the sugar industries which were developing elsewhere, many of which were still based on slave labour, and which often offered their sugar at better prices than those of the British West Indies. The introduction of beet sugar as a serious competitor in the 1860's was to add a further difficulty to Britain's "sugar islands". (See Table 11.) On the other hand, the progressive reduction of duties had an

²⁶Mintz, *op. cit.*, p.68.

²⁷Deerr, *op. cit.* Vol. II, p. 378.

immediate effect on consumption. From the 1840-44 average of 16.4 lbs. a year per capita, consumption rose in 1845 (the year which inaugurated the progressive removal of duties) to 22.6 lbs. and from then on it saw a steady increase, much sharper than that of the previous consumption trend. By the time all duties were eliminated, in 1874, it had reached 49.2 lbs. a year per capita. (See Figure 1, p.83.)

Table 11. Imports of British West Indian and British Guiana Sugar and the Percentage they Represent of Total Imports of Sugar into the United Kingdom, at Five-Yearly Intervals, 1835-70 (in 000's of cwts.)

Year	British West Indies	Total	West Indies as % of Total
1835	3,523	4,448	76.4
1840	2,202	4,035	54.6
1845	2,853	5,820	49.0
1850	2,586	6,291	41.1
1855	2,915	9,112	39.8
1860	3,375	8,817	38.3
1865	3,561	10,250	34.7
1870	3,695	12,798	28.9

Source: 1835-1850: P.P. 1854-55 (246) L, pp. 714-715; for 1855-65: P.P. 1868 (214) LXIV, pp. 322-323 and 326-327; for 1870: P.P. 1871 (186) LXII, p. 558.

"The nineteenth century", says Mintz, "dawned on a population already accustomed to sugar -if only in small amounts- and eager for more". In the 1840's, measures were taken to guarantee "an abundant and cheap supply of the same goods (i.e. sugar and its derivatives) to

English consumers, without special West Indian privileges".²⁸ At this point Britain became an active customer in the foreign markets.

3. *The opening of the British consulate in Puerto Rico*

It is no coincidence therefore, that the British Consulate opened its doors in San Juan in 1844. On first glance, the date might seem premature, for the Corn Laws were not repealed in Britain until 1846, and it was not until this year that the protection of British colonial sugar was first undermined. However, debates on eliminating the differential duties on foreign sugar had already been formally proposed in Parliament by Mr. Ewart, member for the Dumfries, in 1840, and the bill to reduce duties on foreign sugar had been approved by Parliament in 1844.²⁹ It is true that the 1844 bill did not apply to slave-grown sugar, but nevertheless, it was well known that the elimination of differential duties on all sugars, including slave-grown ones, was next on the agenda. The date chosen for the opening of the British consulate in San Juan therefore, coincides with this turning point in Britain's policy towards the importation of foreign sugar.

In terms of establishing a formal diplomatic and commercial representative in Puerto Rico, the British were a few steps behind, not only the United States but also France. Both countries already had resident consuls in the island, in spite of the fact that French trade with Puerto Rico was then, and would remain, far more modest than that of the English. The United States had indeed been attempting to introduce consular agents in

²⁸Mintz, *op. cit.*, p. 61.

²⁹Deerr, *op. cit.*, Vol. II, pp. 430-431.

both Cuba and Puerto Rico since the closing years of the eighteenth century, way before Spanish official policy would even dream of allowing such a thing. Some of these "agents", as they chose to call themselves out of deference towards the Spanish dislike of the term "consul", settled in Cuba where they were not always treated in the most hospitable of ways by the Spanish authorities.³⁰ In Puerto Rico, however, although one Jacob Clement of Pennsylvania was appointed U.S. agent in 1807, he does not appear to have ever exercised his post³¹ but as soon as the island was officially opened to foreign trade in 1815, the Department of State appointed John Warner as its first agent at San Juan, a post which he held until 1818.³²

Even though the British did not open a consulate in Puerto Rico until 1844, they appear to have had a longer tradition of trade representatives in the island, dating as far back as the English Asiento of 1713 when factors of trade-companies such as the South Sea, were allowed to settle in the island. These factors not only looked after the company's affairs but took an active interest in assisting British seamen captured by Puerto Rican pirates and in contesting the validity of prizes taken to the island's ports. "They acted, therefore", says Arturo Morales Carrión, "as informal representatives of the British government and were the precursors of the consular officials of the nineteenth century."³³

During the early decades of the nineteenth century, the nature of the trade between the two nations had pretty much precluded the need to establish a formal British representative in Puerto Rico. British sales of

³⁰Nicols, *op. cit.*, pp. 298-299.

³¹*Ibid.*, pp. 307-309.

³²Morales, *op. cit.*, p. 141.

³³*Ibid.*, pp. 75-76.

manufactured goods to the island and its purchases of Puerto Rican sugar and coffee, which were almost wholly re-exported to continental Europe, had been largely arranged via the Saint Thomas mercantile houses. The gradual elimination of obstacles to the importation of foreign sugar for the British home-market which began in 1844, promised a great increase in the trade between the two countries and, as we shall see, it did not fail to deliver. This trade would be further enhanced by Puerto Rico's gradual transition towards direct trade which, already in the 1840's, was being promoted by an important sector of Puerto Rico's merchant community, particularly in the capital, and would receive a crucial boost with the 1857 amendment to the tariff which established a 6 per cent differential duty in favour of direct imports.

A second reason for the late opening of a British consulate in Puerto Rico is less to do with the commercial relations between the two countries than with matters of diplomacy. British diplomatic affairs with the island had been limited during the first four decades of the nineteenth century. Any such exchanges were almost certain to be related to the slave trade and were usually dealt with by British representatives in Cuba. Indeed, the arrival of the first British consul at San Juan, has so far been almost totally ascribed to an intensification of British anti-slavery activities in the area during the 1840's, while its relation to the evident growth of commercial contact between the two countries has hitherto been largely ignored.³⁴

The British commenced their efforts to suppress the slave trade from as early as 1808. In 1817, they had cajoled Spain into an agreement which stipulated that all new importations of slaves from Africa by Spanish subjects were to be illegal after 1820. Breaches of

³⁴See, especially, Arturo Morales Carrión, *Auge y decadencia de la trata negrera en Puerto Rico (1820-1860)*. San Juan, Centro de Estudios Avanzados de Puerto Rico y el Caribe, Instituto de Cultura Puertorriqueña, 1978, Chapter IX, *passim*.

these statutes would be tried before one of two authorised tribunals: the "mixed commissions" of Havana or of Sierra Leone.

In fact, the humane conversion of the British from a trade which they had once found most profitable could have hardly come at a worse time for the Spanish Caribbean, whose thriving sugar industry, with its insatiable appetite for hard labour, had never seen better times. The 1817 treaty therefore, proved of little consequence to the abolition of the slave trade in the Spanish colonies. The Spanish authorities, in both Madrid and the colonies had absolutely no interest in seeing to its enforcement other than keeping the peace with Britain. As a result, they repeatedly pleaded ignorance to British claims of violations of the treaty and stealthily writhed away from any compromising situation.

Britain's vigilance in the area was far stricter in Cuba than it was in Puerto Rico. The sheer size of the larger island and the greater wealth of its planters meant a far more frequent and active trade in human beings that could not possibly be matched by Puerto Rico. Nevertheless, all evidence points to the fact that the slave trade reached its peak in Puerto Rico between 1815 and 1835, during most of which time the treaty was theoretically in force.³⁵ In Cuba, however, it was to survive for a considerably longer time, actually reaching its peak in the 1840's and continuing until 1865.³⁶

Concerned with the obstinacy of the slave traders in the area, Britain set up a network of consulates throughout the Caribbean in the 1830's, which was to range from Surinam to Cuba. The consuls had the dual

³⁵Scarano, *op. cit.*, p. 122.

³⁶Manuel Moreno Fraginals, *The Sugarmill: The Socio-Economic Complex of Sugar in Cuba, 1760-1860*. Translated by Cedric Belfrage, New York, Monthly Review Press, 1976, pp. 131-134; and Scarano, *op. cit.*, p. 132.

responsibility of monitoring and reporting any slave trading activities, and of looking after the interests of British trade in their respective areas. In Cuba, consulates were opened in Santiago in 1832, and in Havana in 1833.³⁷ Puerto Rico, however, was omitted from this network, which only reflects the fact that the patterns which had developed in the trade between Britain and Puerto Rico made the presence of such an agent largely unnecessary at the time, and that the slave traders' visits to that island were not frequent enough to attract the attention of the Foreign Office.

This situation changed, however, as a result of a series of unpleasant events which took place sporadically during the 1830's. They concerned the kidnapping of British freedmen arriving in Puerto Rico who were subsequently reduced to slavery in the island's plantations. The need to protect British West Indians against this outrage prompted Palmerston, in 1838, to request of Spain the establishment of a British consulate in San Juan. The proposition, however, was politely ignored by Madrid.³⁸

From the aforementioned events, Morales Carrión has derived the following conclusions:

The idea of opening a British consulate in Puerto Rico, therefore, was not a result of primarily commercial interests, as had been the case in the Spanish American countries. Its immediate motivation was the controversy over the slave trade and the problem posed by the kidnapping and sale of 'apprentices' in Puerto Rico. The agent was seen more as a watchman for the slave traders' wiles than as a mere promoter of British commerce.³⁹

³⁷List of all the Consuls-General, Consuls, Vice-Consuls and Consular Agents in Her Majesty's Service. P.P., 1846. XLIV, pp. 111-124.

³⁸Morales, *Auge y decadencia...*, pp. 81-83.

³⁹*Ibid.*, pp. 82-84.

In the light of his own evidence, however, Morales' statement seems a bit radical. First of all, the British consulate was proposed in 1838, but it was not opened until 1844. Had Palmerston pressed the matter with enough urgency, it seems unlikely that Spain would have put up such a strong resistance, especially when it had already acceded with relative docility to the opening of two such agencies in Cuba, an island whose conservation was far dearer to Spanish hearts and where, furthermore, the slave trade was rife. After 1835, the volume of the slave trade in Puerto Rico had begun to decline. A second treaty was drawn up that year between Spain and Britain in which the former reiterated the authority of British patrols to effectively board and search suspicious vessels for human cargo. Although this second treaty again did little in the way of deterring slavers from proceeding with their commerce, in Puerto Rico it undermined the trade indirectly by pushing up the price of slaves to an almost unacceptable level. The increased danger of British patrols meant that higher costs were incurred in "disguising" the ship to avoid suspicion and in concealing its cargo. A heavier sum was also expected as compensation for the risks involved in the journey. By the mid 1840's, the slave trade in Puerto Rico had pretty much ground to a halt and Lindegren himself admitted as much in a special report to Viscount Palmerston in 1848: "Great part of the slaves are importations from Africa some years ago, none having been brought here within the last four years."⁴⁰

The coordination of the dates is too exact to be ignored. In 1844, the slave trade in Puerto Rico was almost extinct, while a new and promising era was opening for the sugar trade between the two countries. There is no doubt that part of the British consul's

⁴⁰Lindegren's Report on the Cultivation of Sugar in Puerto Rico (addressed to Viscount Palmerston, 24 February, 1848). Correspondence relative to Distress in the Sugar Growing Colonies. P.P. 1847-48, XLVI, p. 759.

responsibilities in Puerto Rico was to act as a watchdog against the slave traffic. Indeed this was stipulated in his contract, and John Lindegren, the first such agent, excelled at this aspect of his job.⁴¹ There continued to be sporadic incidents related to the slave trade until his death in 1855, but as the middle of the century approached, these were less and less frequent while the trade between Puerto Rico and Britain became more and more active. It is doubtful whether, in 1844, the Foreign Office's main purpose in appointing a consul to Puerto Rico was to monitor the island's slave trade, but it is certain that, whatever the original intentions, the consuls' main functions in Puerto Rico, were decidedly connected with the commercial relations between the two countries.

* * *

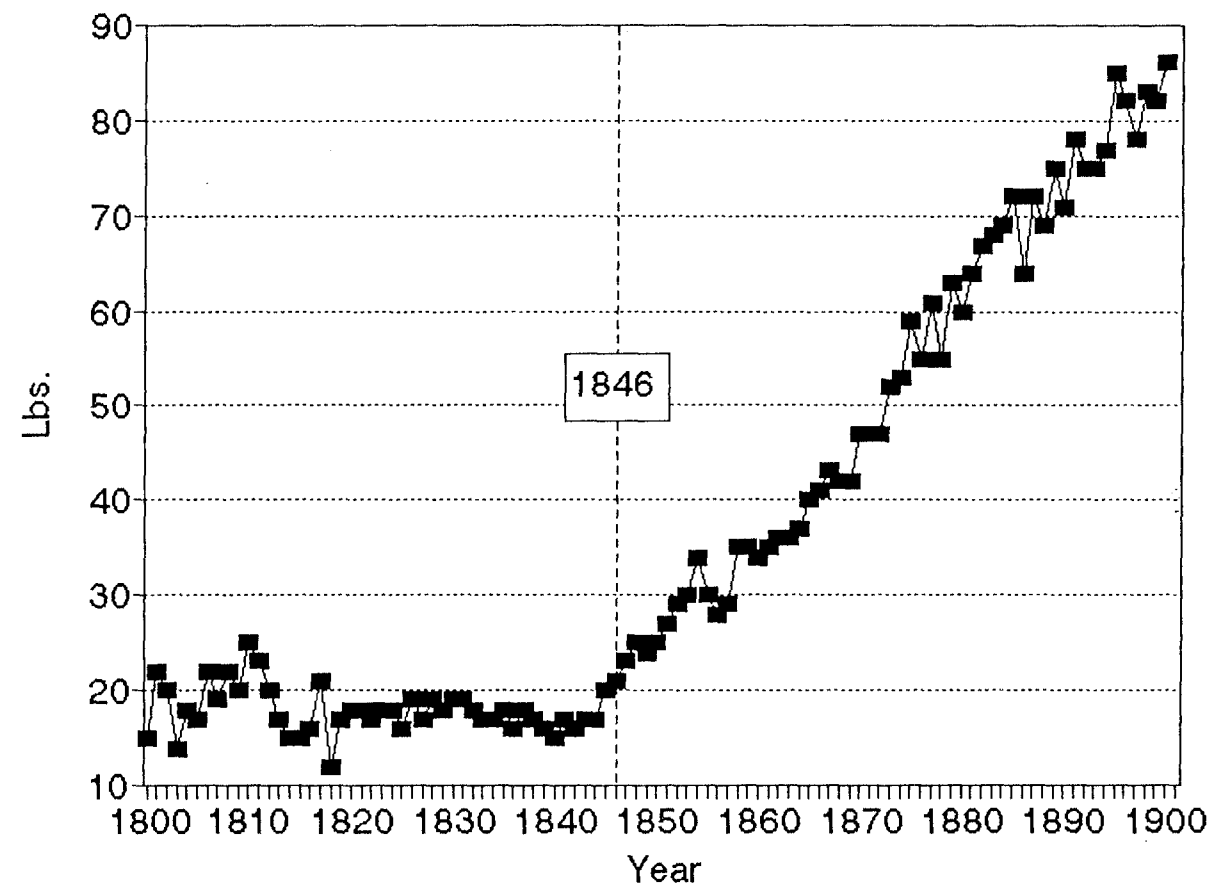
In the preceding chapter we examined the development of Puerto Rico's economy, from that of a forlorn military bastion, to one of an important exporter of sugar. We saw that British interest in the island was constant throughout its early colonial history and that its importance as a commercial partner, both legal and illegal, for the island was always significant. The present chapter has explored the development of industrial Britain's overseas trade, specifically in Latin America, and how the increasing importance of sugar as a consumer item prompted Britain to relax the protection of its own colonial sugar to be able to meet rising demand in the home market. With the admission of foreign slave-grown sugar for home consumption, British merchants consolidated their commercial links with the

⁴¹Morales, *Auge y decadencia...*, pp. 129-147.

Spanish Caribbean. A network of British consulates was set up in the area with the added purpose of discouraging the slave-trade in the region.

Once the commercial interests shared by Puerto Rico and Great Britain had become legal, increasingly direct and monitored by an official representative in San Juan, the foundations had been laid for what was to become a flourishing exchange.

Fig. 1. Per capita consumption of
sugar in the U.K., 1800-1900



Part II. Articles of Exchange

CHAPTER I. PUERTO RICAN EXPORTS TO GREAT BRITAIN

Part I explored Puerto Rico's transition from an economy based on contraband and subsistence agriculture whose sole importance to Spain as a colony was its strategic position as a military outpost, to an export economy whose allegiance to a much depleted Spanish empire had suddenly earned it an importance which it had hitherto been denied. Finding itself at last able to participate freely and legally in the commercial activities of its time (which were acquiring an increasingly international nature) the island soon became enmeshed in a multilateral exchange in which the United States played a leading role which was soon to be challenged by Great Britain.

Puerto Rico's participation in this trade was made possible during the nineteenth century by adjusting the nature of its tropical exports to international demand. Thus, at the onset of its agricultural development, the island's greatest efforts were channelled into the production of sugar, a crop which had become extremely profitable towards the end of the eighteenth century when demand was on the increase, while supply had been seriously curtailed.

Britain's interest in Puerto Rico's production grew significantly after 1846 when foreign slave-grown sugar was first admitted for British home consumption. Given Britain's seemingly insatiable demand for sugar, its importance as a customer for Puerto Rico increased during the 1850's and reached its peak in the 1860's when it made up for contracting sales of sugar to the United States during the American Civil War.

No other Puerto Rican product was able to claim

British attention to anywhere near the same extent as sugar. A temporary and very brief exception was Puerto Rican cotton, which found an avid market in England, again, as a result of the United States Civil War which forced the despairing British textile industry to seek alternative sources of raw material outside the Southern States. In the 1870's, the Puerto Rican sugar industry was confronted with insoluble difficulties which plunged it into a state of crisis from which it would not recover (at least not under Spanish rule). Not the least of these problems was Britain's decreasing interest in Caribbean cane sugar, in favour of the product of European beets. During the last quarter of the nineteenth century, the island's economy came to depend increasingly more on its exports of coffee, a product which was of virtually no interest to British importers. Trade relations between both countries would then lose most of their reciprocal character and concentrate instead on Britain's role as a supplier of coal, metals and an ever-widening variety of manufactures.

1. Sugar

Cultivation of sugar in Puerto Rico did not start in the late eighteenth or early nineteenth century. It had been introduced, almost with Spanish colonization, in the early years of the sixteenth century. This had also been the case in Cuba and Santo Domingo, and indeed in almost all of the tropical locations that fell under Spanish and Portuguese rule after 1492. Sugar production in the Spanish islands, however, was soon overtaken by that of Brazil, which was itself pushed out of the European market by the British, French and Dutch colonies in the

Caribbean around the middle of the seventeenth century.¹

The revival of the sugar industries of the Spanish Caribbean responded to the upsurge in world demand particularly after the collapse of French Saint Domingue, and to the relaxation of Spain's mercantilist policy in its two remaining colonies. In Cuba, the response was quick; the number of Cuban sugar estates rose from 89 in 1759 to 237 in 1792 and production rose from 370,836 arrobas in 1761 to about 1.2 million in 1792.² Cuba never experienced the degree of isolation which Puerto Rico had endured. Throughout the centuries, Havana had retained its importance as a stopping point for the Spanish fleet on its way to or from the rest of the empire. As a result, enough wealth was created and accumulated by the island's Creole population to allow the development of its own sugarocracy by mid-eighteenth century.

Puerto Rico's sugar industry, on the other hand, had been practically obliterated by the middle of the seventeenth century. The surviving mills produced only for local consumption and by the latter days of the eighteenth century, supply was low enough to merit the importation of Havana sugar to meet the demand of the residents of San Juan.³ It is easy to understand the impossibility of capital accumulation in a territory almost completely devoid of legal trade, and one in which illegal transactions were either limited to barter or actively conducive to the exportation of currency in exchange for foreign goods. When Spanish administrative

¹Peter L. Eisenberg, *The Sugar Industry in Pernambuco, Modernization without Change, 1840-1910*. Berkeley, University of California Press, 1974, pp. 3-4.

²Manuel Moreno Fraginals, *The Sugarmill: The Socio-Economic Complex of Sugar in Cuba, 1760-1860*. Translated by Cedric Belfrage. New York/London, Monthly Press Review, 1976, p. 25.

³Andrés Ramos Mattei *La hacienda azucarera; su crecimiento y desarrollo en Puerto Rico (Siglo XIX)*. San Juan, CEREP, 1981, p. 18.

policy took a change for the better in the late eighteenth century, Puerto Rico's Creole elite was suffering from an acute lack of capital which made it difficult for them to join in the sugar race wholeheartedly. It is for this reason that the Spanish authorities were forced to promote a policy in Puerto Rico of development through immigration, as expressed in the relaxation in 1778 of immigration laws, and its reiteration in the 1815 decree. Contrary to Cuba, Puerto Rico's sugar industry during the nineteenth century was largely the product of a relatively wealthy class of foreign immigrants.⁴

On the eve of the Puerto Rican sugar-boom, the establishment of a sugar-mill was not a very complicated enterprise and required a relatively small investment of capital. The whole manufacturing process at the time differed little from that of the Mediterranean sugar mills in the fifteenth century. The old mill or *trapiche* was usually animal-powered, although some wind and water-powered mills did exist. It consisted of three wooden rollers placed vertically on a plane which extracted up to 50 or 55 per cent of the cane juice although even this figure does not reflect exact productivity as some of the juice was lost through the wooden conveyor belts on its way to the kettles. The kettles were located in a boiling room or *casa de baterías*. They were of descending sizes and each one was heated by an individual fire (the "Spanish Train"). The juice was cleaned of impurities, concentrated and clarified as it moved from kettle to kettle, a process which was all done by hand. The result was a mixture of sugar and syrup which was then transported to the draining room. Here it was allowed to stand for several days. Some of the molasses would work their way to the bottom by gravity, but the final product, "muscovado" sugar, once packed in *bocoyes*

⁴See Scarano, *op. cit.*, especially his chapter on "Immigration and Sugar Wealth", pp. 79-99.

(hogsheads) for shipment, still contained large amounts of noncrystallizable syrup. A typical sugar hacienda factory, such as this, was expected to manufacture 300,000 lbs. of sugar per harvest or *zafra*, extracting only 5 per cent of the 16-18 per cent saccharine content of the cane.⁵

The influx of foreign immigrants in Puerto Rico, especially of those with experience in sugar production from the British and French Caribbean, encouraged the improvement of certain aspects of the manufacturing process. According to historian Salvador Brau, they were responsible for the introduction of iron covered rollers for the sugar mills in substitution of the more fragile wooden ones, and for the substitution of the Jamaica Train for the old Spanish train. This fuel-saving technique involved heating the set of kettles in which the juice was placed for evaporation by means of only one fire, thus helping to prevent to some extent in Puerto Rico the massive deforestation which took place in Cuba and the islands of the foreign Caribbean. Immigrants were apparently also responsible for introducing better varieties of cane, namely the Otaheite or Bourbon variety which had been widely used in the rest of the Caribbean since the sixteenth century. It was a cane of far better quality than the Creole variety grown up to then in Puerto Rico and it possessed the added advantage that its bagasse could be used for fuel.⁶

In the early years of its development, sugar production in Puerto Rico became a very profitable business. According to Ramos, in 1826, a typical hacienda of 60 *cuerdas*⁷ under cane could be started with

⁵A.A. Ramos, "The Influence of Mechanization in the Sugar System of Production in Puerto Rico, 1873-1898". Ph.D. Theses, University of London, 1976, pp. 36 and 39.

⁶Ramos, "The Influence of Mechanization...", p. 30; Scarano, *op. cit.*, p. 103; and Moreno Fragnals, *op. cit.*, pp. 38-39 and 85-87.

⁷A *cuerda* is .97 of an English acre.

an initial outlay of 55,250 Spanish pesos and was expected to yield annual profits of 14,000 pesos after deducting production costs of only 6,000 pesos.⁸ Such high returns were made possible by the nature of the end product: muscovado sugar, which required only basic technology for its manufacture.

The production of muscovado was encouraged by Puerto Rico's principal customer at the time, the United States. It was in the interest of the powerful sugar refiners in the United States that the quality of all sugar imported into that country be as low as possible. A higher tariff was imposed on superior quality sugars. From 1832 to 1842, raw sugar was admitted at a 2.5 cents/lb. duty while the better quality clayed sugar had to pay 3.175 cents/lb. The duty for clayed white and powdered sugars was further increased to 6 cents/lb. in 1842 until it was changed again in 1846 to an *ad valorem* duty of 30 per cent on all kinds of sugar which amounted to a considerable reduction. This tariff was again lowered to 24 per cent in 1857 and remained in force until 1860.⁹

From 1815 to 1840, the Puerto Rican sugar industry grew with an almost unbridled impetus. According to Consul Lindegren, "as late as 1814...Sugar, which is one of the principal articles of export was not grown in sufficient quantity for the consumption of the island."¹⁰ By 1820, however, 1,547 haciendas were exporting 8,972 tons of sugar. Twenty years later, the number of haciendas had increased to 1,630, but production was almost five times greater than in 1820, exports reaching 40,897 tons.¹¹

⁸Ramos, "The Influence of Mechanization...", p. 31.

⁹Lewis Cecil Gray, assisted by Esther Katherine Thompson, *History of Agriculture in the Southern United States to 1860*. Vol. I. Second edition. New York, Peter Smith, 1941, pp. 744-745.

¹⁰P.R.O., F.O. 72/683. Lindegren to Aberdeen, 14 January, 1845.

¹¹Ramos, "The Influence of Mechanization...", p. 31.

This growth was spurred by high prices and increasing demand in the expanding territories of the American Union. In the late 1820's and early 1830's, the price of sugar in the United States averaged 5 cents/lb. (approximately 22s. 5d./cwt.) except for 1835 and 1836 when the price rose to 8 cents/lb. (35s. 10d./cwt.) in response to the speculative movement of those two years.¹² These prices yielded a perfectly acceptable profit to the planter even if this ~~could~~ no longer compare to the dizzying heights of 36 *reales/arroba* (approximately 40s. 4d./cwt.) which the Cuban industry had enjoyed in the 1790's to the point that a planter of the day had been prompted to exclaim: "There is no doubt about it, the hour of our happiness has struck."¹³ Puerto Rico arrived too late at the scene to take part in Cuba's "Dance of the Millions", but nevertheless, until the 1840's, its own industry flourished and prospered under favourable conditions.

This happy state of affairs was temporarily interrupted in the mid 1840's when a combination of unfavourable weather conditions at home and low prices in the United States confronted the planters in Puerto Rico with their first serious stumbling stone. The situation forced local planters to shake off some of their complacency and re-evaluate their methods of production. Internally, several attempts were made at improving irrigation, especially in the drier south coast which was prone to frequent droughts. Total mechanization was not an economically viable option. Large sums of money would have been required for investing in a system which was likely to produce a sugar which would be considered too refined to compete in the highly discriminatory market of the United States. The adoption of a centralized system

¹²Gray and Thompson, *op. cit.*, p. 744.

¹³Francisco de Arango y Parreño, *Obras*. Vol. I, p. 134. Quoted from Moreno, *op. cit.*, p. 28.

of production, in which one large factory would process the cane of surrounding haciendas, was first proposed in Puerto Rico around this time. The idea met with little enthusiasm from planters who resented the thought of being relegated to the status of mere sugar farmers and were furthermore loathe to relinquish their own factories which, however modest, had represented a sizeable investment for each individual. Instead, partial mechanization was adopted in many establishments as a means of boosting production. This mainly took the shape of the introduction of steam-driven mills at individual haciendas. Administratively too, the government took strong measures to try to coerce the peasantry into the sugar plantations in an attempt to compensate for the virtual impossibility of purchasing new slaves.

Internal transformations, however, could not stem the growth of competition, especially that resulting from the United States own sugar industry. Sugar production in North America dated as far back as the early eighteenth century and had been always limited to a handful of Southern states: Louisiana, Texas, Florida, Georgia, Mississippi and South Carolina, of which Louisiana was undoubtedly the greatest producer. (See Table 12.)

Table 12. Sugar Produced in the United States,
1850 and 1860 (in hogsheads)

State	1850	1860
Louisiana	266,001	221,726
Texas	7,032	5,099
Florida	2,750	1,669
Georgia	846	1,167
Mississippi	8	506
South Carolina	77	198
Other	100	617
TOTAL	236,814	230,982

Source: Lewis Cecil Gray, assisted by Esther Katherine Thompson, *History of Agriculture in the Southern United States to 1860*. Vol. I. Second edition. New York, Peter Smith, 1941, pp. 748-749. (Extracted from the *U.S. Census, 1860, Agriculture*, 187, 191).

Sugar planting had been introduced in Louisiana around 1725 when the territory was still in French hands, but the permanent establishment of the industry did not take place until a few years before the transfer of Louisiana to the United States in 1803.¹⁴ The industry was then greatly aided by the mass migration of planters from French St. Domingue fleeing the Haitian revolution in the late eighteenth century. Although the climate in the Southern States was not as propitious as that of the West Indies for growing sugar¹⁵, the planters in that area managed to transform adversity into productivity.

¹⁴Gray and Thompson, *op. cit.*, pp. 76-77.

¹⁵Parallel 31° was approximately the northern limit for cane cultivation.

Production was highly mechanised from a very early stage. Steam power was introduced in 1822 and by 1830, 100 out of 725 mills in Louisiana were steam operated. By 1844 the proportion had risen to 408 out of 762.¹⁶ The agricultural aspect of production was also rationalised at an early stage and was superior to that used in the tropics. According to Cecil Lewis Gray, Louisiana planting methods were

as superior to the methods employed in the colonial West Indies as the manufacturing techniques of the steam engine and the vacuum process were superior to the old ox mills and open kettles.¹⁷

But in spite of technological progress, climatological handicaps led to an exceedingly variable yield. Nevertheless, the industry prospered, encouraged by the elimination of import duties on its production in the United States once the territory became part of the Union, which had also been its main customer while it was still under French rule. In 1801-1802, about 75 plantations were producing an annual total estimated somewhere between 4 and 8.4 million lbs. of sugar. In 1827, the number of plantations had risen to 82 and the average production of the five years comprising 1823/24 to 1827/28 was approximately 30 million lbs.¹⁸ This prosperity was possible in spite of the planters' conviction, throughout the 1830's and 1840's, that import duties on foreign sugar were not high enough. They clamoured for higher tariffs and prophesied imminent bankruptcy, but in effect, the industry continued to grow. The applicability of a relatively lenient sugar tariff in the United States was based on the fact that,

¹⁶Gray and Thompson, *op. cit.*, p. 741.

¹⁷*Ibid.*, p. 750.

¹⁸*Ibid.*, pp. 740-742.

unlike other southern staples, sugar was not produced in sufficient volume to meet national demand. Practically all of the sugar produced in Louisiana was sold in the home market, but much more had to be imported.¹⁹ In 1835, for example, 83 million lbs. of sugar were disembarked in New York. Only 22 million, or 26.5 per cent of these arrived from New Orleans.²⁰

The development of the Louisiana sugar industry obviously affected Puerto Rican sugar exports. The larger the home-grown crop, the less foreign sugar the United States would be expected to import. Planters in Puerto Rico could not turn towards a favourable home market as Spanish customs duties virtually ruled out the importation of colonial sugars in the Peninsula. The interests of the Andalusian sugar producers were always paramount in dictating Spanish commercial policy towards her Antillean possessions. Her imports of Puerto Rican sugar were so insignificant during the days when the island's economy depended heavily on its export, that it prompted United States Consul De Ronceray to compare the importance of the 'mother-land' to that of the United States in the island's economy by remarking: "it has been well said that Spain, the mother country might sink to the bottom of the sea without its affecting the prosperity or business interests of this island..."²¹

It was a happy coincidence that in 1844 Britain began its move towards the introduction of foreign sugar for the home market. This fortunate change in British policy acted as a buffer in what might otherwise have proved a much harder blow. In Britain, Puerto Rico found a new and eager customer, one which was furthermore interested in the unrefined product which the island had

¹⁹*Ibid.*, pp. 747-748.

²⁰Fifteen million pounds, or 16.6% came from Puerto Rico. Ely, *op. cit.*, p. 142.

²¹Cortada, *op. cit.*, pp. 7-8.

to offer, for Britain, like the United States, also had the interests of a powerful refining industry to protect.

Sugar refining in Britain was an old industry, the origins of which can be traced as far back as the sixteenth century when it gained strength with the settlement of the English colonies in the Caribbean whose mission it became to produce raw sugar to be refined in Britain. By 1753, there were at least 80 refineries in London, 20 in Bristol and several more in Liverpool, Lancaster, Whitehaven, Newcastle, Hull, Southampton and Warrington. Scottish refineries, especially in Glasgow and Greenock, began to prosper in the second half of the eighteenth century. The average output of these factories was 200 tons of sugar per annum, but that number was to increase along with their importance during the early years of the nineteenth century.²² The British tariff policy also favoured raw sugars and discriminated against refined, even more intensely than in the United States, thus preventing the West Indian planters from producing an article of higher quality. Not only did this benefit the refiners and create more jobs in Britain, but raw sugar was also heavier to transport, which meant more profits for English shippers. In the words of Noel Deerr, the West Indian producer was reduced to a bond servant to the refiner. Any attempts on the part of the West Indian planters to achieve a more refined product were met with overt hostility in Britain.²³

When Britain opened its home market for foreign sugars in 1846, it was a market for unrefined sugar, such as Puerto Rico had to offer. Faced with the contraction of its traditional American customer, Puerto Rico found ample compensation in the new availability of the large British market. Already in 1845, the island's planters

²²Noel Deerr, *op. cit.*, p. 459.

²³*Ibid.*, p. 467.

were holding high expectations towards new possibilities across the Atlantic, a fact which was not lost on Consul Lindegren.

...this Season the Crops of Sugars in New Orleans are likely to be abundant, the estimated quantity likely to be brought to Market not being less than 250,000 Hogsheads, and what has been brought forward already for sale appearing to be of good quality, so that it (the United States) will not answer to import Sugars from Porto Rico for the prices they would fetch would not pay the Importer, the Inhabitants of Porto Rico must therefore look for other Markets. They will probably sell part of their Produce to our North American Colonies (Canada) who have latterly purchased large quantities, but I believe they look to Europe for the principal Sale of their Produce...'²⁴

By "Europe", Lindegren undoubtedly meant Britain. Britain was the largest consumer of sugar in the world, as yet unrivalled by the growing population of the expanding United States. During the mid 1840's, the average yearly per capita consumption of sugar in the United States was only 13.8 lbs. compared to 22.6 lbs. in Britain whose total population at this stage was still larger.

Nevertheless, geographic proximity and a more favourable tariff structure still made the United States the obvious first choice as a customer for Puerto Rico's sugar. Before 1846, for example, while Puerto Rico's slave-grown sugar was paying a duty equivalent to 16.5 cents per pound in England, in the United States it was being accepted at an *ad valorem* rate of 30 per cent, which, considering that the average price for raw sugar (C.I.F.) stood at about 33s./cwt., yielded a duty of approximately 2.5 cents/lb. in the United States. Even

²⁴P.R.O., F.O. 72/683, *op. cit.*, Lindegren to Aberdeen. January 14, 1845.

with the equalisation of sugar duties in England after 1851, the difference was reduced to 3.5 cents./lb. in England as opposed to approximately 1.75 cents in the United States.²⁵ This meant that the United States could offer better prices than Great Britain for Puerto Rican sugar, as Consul Lindegren observed shortly after the 30 per cent *ad valorem* tariff was introduced in the United States:

...I have heard of some Sugar having been sold at 4.5 Dollars (per quintal) and I do not think for the present that it will be purchased for less, as they (the Puerto Rican planters) are even asking 4.75 to 5 Dollars and there is likely to be a considerable demand for it, several British Ships having already arrived, and orders from England large, but the limits are, I am told, generally too low for purchasing which would make the planters lower their Demands, but the prices from America (United States) are also favourable, the reduction in the Tariff enabling them to pay better prices, so that there will be probably a considerable exportation of Sugar to the United States.²⁶

But even if the United States could offer better prices than Britain, the prospects for imported sugar did not look promising there in the 1840's. The United States' sugar industry was protected and continued to grow, whereas in Britain, colonial sugar was steadily losing its protection. Puerto Rican planters rejoiced at the timely conversion of Britain towards free trade as is evident in Lindegren's report on the island's trade for 1846.

²⁵Gray and Thompson, *op. cit.*, Vol. I, pp. 744-745 and Deer, *op. cit.*, Vol. II, pp. 530-531.

²⁶P.R.O., F.O. 72/732. Lindegren to Palmerston, 6 January, 1847.

The trade has been brisk as regards Sugars, and several cargoes have been shipped for England. The price of sugar opened at three Dollars per Quintal, between that and 3.5 Dollars most purchases were made. At the end of the Season the prices rose to 4.5 Dollars, principally owing to the favourable news from England of Porto Rico sugars being admitted to Home Consumption, which gave such satisfaction to the planters that they knew not what prices to ask for their Sugars.²⁷

The year 1846 therefore became a milestone in the development of Anglo-Puerto Rican trade. After this year, the participation of foreign sugar in the British home market grew considerably. The sugars of Cuba, Puerto Rico and Brazil, which had hitherto been largely re-exported upon arrival to Britain due to the prohibitive duties imposed on them for being both foreign and slave-grown, now secured a comfortable niche in this market, one which they should maintain until the late 1860's. (See Figure 2, p. 165.) Throughout the period 1846-67, Cuba was consistently Britain's main foreign sugar supplier almost always followed by Brazil. Puerto Rico held the third place in 11 out of 22 years, while in 1849 and 1850, it was second only to Cuba. But while the quality of Puerto Rican and Cuban sugar was immediately found acceptable in the British market, this was not the case with the Brazilian product. The muscovados imported from the Spanish Caribbean were well suited for refining and the cleaner portions of these were even found suitable for selling directly to the consumer at the cheaper end of the grocery market. Consequently they were retained in their entirety for home consumption. Brazilian sugar, on the contrary, was re-exported from Britain in great quantities during the 1840's and the first half of the 1850's. (See Table 13.) According to

²⁷P.R.O., F.O. 72/732. Lindegren to Palmerston, 6 January, 1847.

Roberta M. Delson:

much of the Brazilian sugar reaching Britain was refined and eventually resold on the continent. In point of fact, contemporary British buyers routinely avoided Brazilian sugar products, particularly the much maligned Bahía Brown sugar, as one of the most inferior sugars grown world wide.²⁸

Puerto Rico, on the other hand, if we are to trust both quantitative and literary sources, produced a sugar which was highly esteemed and at a price found acceptable in the British market. Throughout the century, the British consuls consistently praised its quality. On his very first report on the trade of the island, Lindegren mentioned the "superior quality of Porto Rican sugar and coffee".²⁹ In 1866, Henry Augustus Cowper, the third British consul in Puerto Rico, was to say: "All the productions of Puerto Rico are of the first quality and fetch the highest prices in foreign markets".³⁰

It is easier to appreciate the acceptability of Puerto Rican sugar in the British market by comparing its place in general British imports of sugar and in that of foreign sugar imports which were nominally and proportionally rising in the 1840's and 50's. (See Table 14.) Imports of Puerto Rican sugar peaked in 1862 when Britain imported almost half a million cwts. for home consumption. But as a proportion of all foreign sugar imported into Britain, it was in 1849 that Puerto Rico was at its strongest point when it supplied Britain with

²⁸Roberta M. Delson, "Sugar Production for the Nineteenth Century British Market: Rethinking the Roles of Brazil and the British West Indies", *Crisis and Change in the International Sugar Economy, 1860-1914*, Bill Albert and Adrian Graves (eds.), Norwich, I.S.C. Press, 1984, p. 67.

²⁹P.R.O., F.O. 72/683. Lindegren to Aberdeen, 14 January, 1845.

³⁰P.R.O., F.O. 72/1127. Cowper to the Earl of Clarendon, 5 January, 1866.

26.3 per cent of that trade. (See Table 15.)

Needless to say, the proportion of Puerto Rican sugar reaching British tables was still relatively small when compared to the total consumed in Britain at the time. Nevertheless, Puerto Rico was still a viable source of a highly desirable product. The island was furthermore conveniently located near Britain's own Caribbean colonies and it offered a high quality product at acceptable prices.

Consul Lindegren's report for 1846 has already illustrated how British importers often found it difficult to match United States offers for Puerto Rican sugar. Not only was the United States' tariff policy more lenient at the time, but the cost of freight and insurance also determined the generosity of the purchasers' offer. It is understandable that sugar in the United States could be sold to the refiners at lower prices than in Britain. The United States was much closer to the sugar-producing enclaves in America and it even contained a major producing area within its own territories. The expenses of shipping were therefore considerably reduced. The difference, when compared to crossing the Atlantic, however, was not always as large as would be expected. In 1850-1855, the average price for sugar in New Orleans was consistently above 5 cents/lb. or 20s. 11/2d./cwt. In London it averaged 24s. 1d. or only .37 of a cent/lb. dearer. When the Louisiana crop failed due to frost in 1856, the price of sugar to the consumer in the United States rose the following year to as high as 10 cents/lb. (or 40s. 3d./cwt.).³¹

³¹Information on U.S. prices taken from Gray and Thompson, *op. cit.*, p. 744. Prices in London from Deerr, *op. cit.*, pp. 530-531.

Table 13. Unrefined Brazilian Sugar Imported into Britain and Amount Retained for Home Consumption, 1846-60 (in long tons)

Year	Imported	Retained
1846	15,025	5,469
1847	34,960	10,103
1848	32,601	17,592
1849	28,083	4,670
1850	18,134	8,501
1851	36,021	15,039
1852	14,500	3,150
1853	33,557	21,893
1854	28,965	20,221
1855	23,434	28,076
1856	36,559	20,348
1857	42,545	36,468
1858	1,816	32,912
1859	55,930	46,604
1860	21,647	30,401

Source: Roberta M. Delson, "Sugar Production for the Nineteenth Century British Market: Rethinking the Roles of Brazil and the British West Indies", *Crisis and Change in the International Sugar Economy, 1860-1914*. Bill Albert and Adrian Graves (eds.), Norwich, I.S.C. Press, 1984, p. 75.

For imports of Brazilian sugar into Britain the source is William Reed, *The History of Sugar*. London, Longmans, Green and Co., 1866, Table 2 (the figure for 1858 is unaccountably low by comparison to neighbouring years). For imports of Brazilian sugar retained for home consumption the source is P.P., 1863, pp. 2-3. The numbers include a negligible fraction of refined sugar, thus essentially comparable to unrefined values. -- Delson's notes.

Table 14. Imports of Unrefined Sugar into the United Kingdom, 1845-70 (in 000's of cwts.)

Year	From P.R.	From P.R. for Home Consumption	From Cuba	From Cuba for Home Consumption	From Brazil	From Brazil for Home Consumption	Total Foreign	Total Foreign for Home Consumption	Total Sugar Imported into U.K.
1845	151	-	197	-	325	-	911	77	5820
1846	96	81	499	154	300	109	1197	602	5662
1847	248	119	875	349	699	202	2408	974	8209
1848	168	125	694	496	652	351	1855	1220	6869
1849	241	129	664	192	561	93	1725	496	6937
1850	179	198	489	372	362	170	1350	908	6291
1851	299	183	811	617	720	300	2296	1379	7532
1852	52	68	432	369	289	62	1068	682	6896
1853	143	112	946	807	671	437	1977	1531	7284
1854	378	303	1598	1340	579	404	3219	2439	9112
1855	239	255	711	862	468	561	2301	2321	7324
1856	199	173	736	498	531	406	2065	1618	7761
1857	197	138	993	930	850	729	3064	2616	8390
1858	362	359	1593	1267	36	658	3628	3117	9010
1859	216	179	1644	1626	1118	932	3849	3512	9098
1860	262	259	1382	1259	432	608	3495	3495	8817

Table 14. Imports of Unrefined Sugar into the United Kingdom, 1845-1870 (in 000's of cwts.) [Continued]

Year	From P.R.	From P.R. for Home Consumption	From Cuba	From Cuba for Home Consumption	From Brazil	From Brazil for Home Consumption	Total Foreign	Total Foreign for Home Consumption	Total Sugar Imported into U.K.
1861	518	374	2046	1742	751	590	4434	3548	10399
1862	438	458	2152	1933	1263	1098	4901	4458	9884
1863	545	425	2113	1939	1191	1090	5151	4274	10724
1864	452	260	2887	2251	1189	1143	5557	4675	10754
1865	270	361	2210	2310	1019	1019	5167	4876	10250
1866	167	147	1675	1900	1333	1175	4815	4821	10639
1867	245	247	2855	2832	1094	1340	6034	6374	10545
1868	98	75	3153	2962	1335	1210	6513	6055	11769
1869	262	235	2867	2767	1399	1541	6687	6687	11003
1870	410	366	3608	3441	1407	1232	8218	8218	12798

Sources: For 1845-53: P.P. 1854-55 (246) L, pp. 714-715, 730-731 and 746-747; for 1854-67: P.P. 1868 (214) LXIV, pp. 322-323, 340-341 and 566-567; for 1868: P.P. 1868-69 (192) LVI, pp. 490, 492 and 517; for 1869: P.P. 1870 (204) LXI, pp. 560, 562 and 591; for 1870: P.P. 1871 (186) LXII, pp. 558, 560 and 571.

Table 15. Puerto Rican Sugar as a Percentage of all Foreign Unrefined Sugar Imported into the United Kingdom for Home Consumption, 1846-70

Year	Percentage		Year	Percentage
1846	14.6		1859	5.1
1847	12.4		1860	7.4
1848	10.3		1861	10.5
1849	26.3		1862	10.3
1850	22.0		1863	9.3
1851	13.4		1864	5.6
1852	10.1		1865	7.4
1853	7.4		1866	3.0
1854	15.5		1867	3.8
1855	11.0		1868	1.2
1856	10.7		1869	3.6
1857	5.3		1870	4.8
1858	11.5			

Percentages extracted from figures provided by P.P., Accounts and Papers, Vol. LXVII, 565, 1867-68, pp. 1-2.

In 1857, the price of sugar in London averaged only 34s. Puerto Rican sugar exports to the United States that year amounted to 53,753,815 lbs. while Britain only managed to import 17,774,885 lbs. or barely one third of the United States purchase.³² Nevertheless, from 1846 to the late 1870's the price at which Puerto Rican sugar was sold by the planters was quite reasonable in relation to the price being paid for muscovado in London. Table 16 better illustrates this relationship.

³²Report by Mr. Hunt, British Consul at Puerto Rico, upon the Trade of that Island for 1857. P.P., 1859, Session 2 [2579] XXX.373.

Table 16. Prices of Puerto Rican Muscovado Sugar compared to Prices of Raw Sugar in London (Cost, Freight and Insurance) during Selected Years, 1844-78 (in shillings/cwt.)

Year	Price of P.Rican Muscovado	Price of Sugar in London CIF	Percentage Difference
1846	13s 6d-20s2d	33s	144.4-63.6
1857	28s.	34s	21.4
1860	15s 8d-20s	24s	53.2-20
1865	14s 6d-22s 5d	22s	51.7-1.8
1866	14s-18s	21s	50-16.7
1868	18s-20s	22s	22.2-10
1865-70*	22s 5d	22s 4d	- .37
1867-71*	22s 5d	23s 4d	4.1
1873	16s	22s 6d	40.6
1874	17s 11d	21s 6d	20.0
1875	15s 8d	21s 6d	37.2
1876	15s 8d	21s 6d	37.2
1877	20s	24s 6d	22.5
1878	14s 10d	20s	34.8

* Average price.

Sources: Information for Puerto Rican prices from consular reports: 1846, P.R.O., F.O.72/702; 1857, P.P., 1859, Session 2 [2579] XXX.373; 1860, P.P., 1863 [3229] LXX.1; 1865 and 1866, P.P., 1867 [3938] [3939] LXVIII.95, 277; 1865-70, P.P., 1871 [C.402] LXVI.1; 1867-71, P.P., 1872 [C.597] LVIII.1; 1873, P.P., 1874 [C.1009] [C.1009-1] LXVII.1, 235; 1874, P.P., 1875 [C.1238] LXXVI.1; 1875, P.P., 1876 [C.1486] LXXV.1; 1876, P.P., 1877 [C.1855] LXXXIII.3; 1877 and 1878, P.P., 1878-79 [C.2421] LXXII.1. Information of prices in London from Deerr, op. cit., p. ?????

One would expect the difference between the price of sugar upon leaving the island and that which it achieved in London to be due mainly to insurance and freight charges. These charges were very high in the early

nineteenth century as a result of the various European Wars, the naval consequences of which were always felt in the Atlantic and the Caribbean. Piracy too was still rife in the area. "Nowadays," says Roland T. Ely referring specifically to the stretch of sea surrounding the Bahamas,

these islands are the sports fisherman's paradise and a favourite zone for yachtsmen. But in the days of sail navigation they constituted a veritable nightmare for seamen. Those who did not know the thousand and one secrets of the nautical trade were exposed to great danger. It is not surprising that insurance companies estimated that a journey from New York to Havana or even to New Orleans presented higher risks than a voyage to Liverpool or Le Havre. The premiums charged were as high as those corresponding to trips to China, half way around the world.³³

If that was the case with the short journey from New York to the Gulf of Mexico, then insurance prices from British ports to Puerto Rico or Cuba must have been much higher. However, as the century advanced, and peace became prevalent in the Atlantic, for the first time in over 300 years, these charges became less onerous and accounted for a much smaller proportion of the final cost of raw sugar. In 1875, a company for marine insurance, called Lloyds of Puerto Rico (almost certainly a branch of the renowned English firm) settled on the island. Consul Pauli reported the company as taking risks at 1.75 per cent to Great Britain compared to 1.25 to the United States, increasing to 1.33 north of Cape Cod. Insurance for Spain was also charged at 1.25 per cent.³⁴

The patterns of trade that developed in 1846 with the opening of the British market for Puerto Rico's sugar

³³Ely, *op. cit.*, pp. 240-241.

³⁴Pauli's report on Puerto Rico for 1875. P.P. 1876, p. 909.

continued through the 1850's. The United States remained the island's most important customer but it was clear that the planters were no longer solely dependant on their American neighbour for their survival. Their new found freedom of choice was to prove crucial once again in averting a potential crisis when the United States reduced their imports of sugar dramatically as a result of the Civil War. In 1861, Congress increased the duties on sugar and other articles to help finance the war.³⁵ As a result, consumption of sugar, textiles, coffee and shoes in the United States fell by 50 per cent between 1860 and 1865.³⁶ In Puerto Rico, the contraction of the United States' market swung the balance of exports significantly in favour of Britain. During the years 1861 to 1865, the proportion of Puerto Rican produce exported to Britain grew from one fifth to well over one third of the total, while the United States' share dropped from about one half to under one third. (See Table 17.)

An increase in the demand for sugar followed the end of the Civil War. This, plus the fact that the Louisiana sugar plantations had been much damaged by the war, meant that the United States was willing to pay above average prices for sugar. Before the end of the Civil War, Puerto Rican sugar was selling at \$3.75 per quintal (3.7 cents per lb.) in the United States³⁷, at its conclusion prices in New York soared 18 and 25 cents per lb., according to quality.³⁸ In 1866, Consul Cowper informed the Foreign Office:

³⁵Paul Studenski and Herman E. Krooss, *Financial History of the United States*. New York, Mc-Graw Hill Books, 1952, pp. 140-141.

³⁶*Ibid.*, p. 153.

³⁷P.R.O., F.O. 72/1127, 1866.

³⁸Paul Vogt, *The Sugar Refining Industry in the United States*. Philadelphia, University of Pennsylvania, 1908, p. 35. Quoted from Ramos, "The Influence of Mechanization...", p. 52.

...since the termination of the War, Produce (i.e. Sugar) has increased in value and such high prices have been paid for sugar by the Americans that no foreigners have been able to compete with them.³⁹

Table 17. Compared Puerto Rican Exports to Great Britain and the United States, 1855-65 (in 000's of pesos)

Year	Great Britain	United States	Total
1855	1,201	2,023	4,971
1856	926	2857	5371
1857	710	2027	4429
1858	1297	2677	5357
1859	926	1897	4289
1860	1119	2825	5454
1861	2141	1899	6063
1862	1970	1976	5793
1863	2029	1921	5557
1864	1853	1168	4787
1865	1406	2428	5974

Source: Balanzas mercantiles de Puerto Rico, 1855-65.

The United States, therefore, emerged from the war with an increased appetite for sweetness, and the sugar producers of the Spanish Caribbean were ready to comply with the demand. Thus, the Puerto Rican sugar industry entered the 1870's on the crest of a wave. In the

³⁹P.R.O., F.O. 72/1127, 1866.

opening year of the decade, Puerto Rico was second only to Cuba in sugar production in the Western Hemisphere, exporting almost 7 per cent of the world's total. (See Table 18.) But in the early years of the 1870's, the industry ran into a series of obstacles that proved insurmountable for many producers.

Table 18. Sugar Production of Major Producing Countries in the Western Hemisphere, 1870 (in tons)

Country	Production
Cuba	726,000
Puerto Rico	105,000
Brazil	101,501
British Guiana	75,075
Barbados	34,363
Jamaica	24,598

Source: Deerr, *op. cit.*, Vol. II, p. ????

The abolition of slavery and forced labour (the *libreta* or workbook system) in 1873; perpetual financial difficulties due to the shortage of currency and the weakness of the prevailing system of credit; the failure of the Spanish government to compensate ex-slave owners as they had been promised; and a combination of burdensome local agricultural taxes and export duties on sugar; all of these were the internal problems which plagued the industry.

Externally, a drop in world demand due to over production and, consequently a dramatic decrease in prices, dealt the final blow. In the United States, the Louisiana sugar industry began to recuperate quite

swiftly after the Civil War. Already in 1870, it was producing 84,439 short tons (76,763 metric tons of approximately 2,200 lbs. each) and by 1875, it had overtaken Puerto Rican production. (See Table 19.)

Table 19. Puerto Rican and Louisiana Sugar Production, 1870-98 (in tons)

Year	Puerto Rico	Louisiana		Year	Puerto Rico	Louisiana
1870	87,113	76,763		1885	88,959	130,284
1871	93,912	66,775		1886	63,777	82,329
1872	80,963	56,974		1887	80,792	160,843
1873	86,600	46,928		1888	61,987	147,511
1874	70,905	61,139		1889	63,611	130,677
1875	73,724	74,280		1890	58,191	219,768
1876	67,118	86,688		1891	48,094	163,862
1877	55,980	66,865		1892	67,297	221,480
1878	75,629	108,853		1893	43,087	270,669
1879	76,411	90,442		1894	48,409	323,103
1880	45,711	124,083		1895	55,000	242,043
1881	56,687	72,671		1896	54,000	287,163
1882	83,566	137,757		1897	55,000	316,091
1883	79,738	130,788		1898	54,000	249,728
1884	98,974	96,091				

Sources: Figures for Puerto Rico correspond to sugar exported from the island. For 1870-94: *Balanza mercantil*, 1870-94; 1895-98, Deerr, *op. cit.*, Vol. I, p. 126. For Louisiana: Deer, *op. cit.*, Vol. I. p. 250. Figures for Louisiana converted from short tons to metric tons of approximately 2,200 lbs. each.

Again, as in the 1840's, the United States market contracted, but this time, Puerto Rico could not turn to its old European customers to compensate for United States withdrawal, for an even more fierce competitor had quite literally taken root in European soil: sugar beet.



Beet sugar had emerged in the early nineteenth century as a consequence of Napoleon's continental blockade to compensate for the exclusion of cane sugar imports from the Caribbean. The industry quickly gained momentum as the governments of the producing countries began to offer incentives to the manufacturers in the form of subsidies and bounties, encouraging them to refine the home-grown vegetable. Beet's relatively low sugar content furthermore encouraged mechanisation for a more efficient extraction of sugar.⁴⁰

Beet sugar affected not only the markets of continental Europe where it was produced but also that of Britain where the vegetable was not grown on a large scale. The advantages of importing beet sugar from Europe instead of cane sugar from the Caribbean were obvious to Britain. Beet sugar came from a shorter distance and it was lighter because it was also refined, hence the quality was better, a fact which, incidentally, forced many of the old British refiners, once so well-protected, into liquidation. Because it was subsidised, it was being made available at artificially low prices. The development of the European sugar industry furthermore coincided with the liberalisation of British foreign trade regulations under Gladstone's administration which eventually led to the complete elimination of sugar duties in 1874.

The British market, like the rest of the world, soon became glutted with cheap sugar. Overproduction, according to Ely, was like "a dark shadow which extended itself over the rich cane fields of Cuba"⁴¹ (and Puerto Rico, one might add). Between 1846 and 1876, world wide consumption of sugar increased fourfold, while in beet-sugar producing countries, its production increased by a

⁴⁰Ramos, "The Influence of Mechanization...", p. 69.

⁴¹Ely, *op. cit.*, pp. 420-421.

factor of 19.⁴² Producers of cane sugar stood little chance of getting a fair deal any more for their product in London. Already in 1857, a European country, France, had overtaken Puerto Rico in sales of sugar to Britain. This happened again in 1859 and 1860. By 1870, Puerto Rico's place in Britain's list of foreign sugar exporters was steadily losing ground to the flourishing producers of continental beet sugar. The average price of sugar in London sank to 15s 10d per cwt. during the 1880's, and then to 11s 7d during the 1890's reaching its lowest point of the century in 1897 at 9s 3d per cwt.⁴³ In 1892, not a single pound of Puerto Rican muscovado was sold to Britain. By then, the island's economy was much more dependant on coffee than on sugar and the proportion of its exports to Great Britain was well under 1 per cent. (See Table 20.)

It is useful to summarise the various stages which the Puerto Rican sugar industry underwent during the nineteenth century and how these relate to the island's commercial exchange with Great Britain. Under Spanish colonial rule, the industry took off in the 1820's and reached its peak during the opening year of the 1870's. During its early stages it relied heavily on the United States market, but this dependency was eased after 1846 when British free-trade policy translated into the gradual elimination of protective barriers which had previously impeded the importation of foreign sugar for home consumption. The availability of the British market as a viable alternative offered exporters in Puerto Rico considerable freedom when targeting their produce. Table 21 compares the quantities of sugar exported to both

⁴²M.A. Montejó, *American Central Sugar Factories*. New Orleans, 1876, pp. 5-6. Quoted from Ely, *op. cit.*, pp. 425-426.

⁴³Morales, *Puerto Rico and the Non-Hispanic Caribbean...*, p. 94.

destinations between 1845 and 1870.

Although the United States continued to head the list as the main destination for the island's sugar, sales to Britain after 1846 did not lag far behind. British custom proved especially welcome in the second half of the 1840's and during the United States Civil War. On both occasions, British purchases compensated for a contraction in the American market helping to avert what would have potentially amounted to a serious crisis, not just for the sugar industry but for the island's economy as a whole which was at the time heavily dependent on its sugar exports.

During the 1870's, the Puerto Rican sugar industry was faced with internal and external difficulties which plunged it into a crisis from which it would not recover during the rest of the century. This time the British market was not available to cushion the blow. Gradually, between the late 1860's and the early 1870's, British sugar importers had been drifting away from tropical suppliers to the more economically sound option of European beet sugar.

Table 20. Range of Prices and Average Prices of Raw Sugar (Cost, Freight and Insurance) in London, 1835-98 (in shillings/cwt.)

Year	Price		Year	Price		Year	Price
1835	30-38		1857	34		1879	19
1836	38-45		1858	24		1880	20/6
1837	33-37		1859	23		1881	21/3
1838	33-42		1860	24		1882	20
1839	39		1861	22		1883	19
1840	49		1862	20		1884	13/3
1841	40		1863	21		1885	11/9
1842	37		1864	26		1886	11/9
1843	37		1865	22		1887	11/9
1844	33		1866	21		1888	13
1845	33		1867	22		1889	16
1846	33		1868	22		1890	13
1847	27		1869	24		1891	13
1848	26		1870	23		1892	13/6
1849	22		1871	25/6		1893	14
1850	23		1872	25/6		1894	11/3
1851	23		1873	22/6		1895	10
1852	20		1874	21/6		1896	10/9
1853	22		1875			1897	9/3
1854	20		1876	21/6		1898	9/6
1855	24		1877	24/6			
1856	28		1878	20			

Source: Deer, *op. cit.*, Vol. II, pp. 530-531.

Table 21. Compared Exports of Puerto Rican Sugar to Great Britain and the United States, 1845-70 (in quintals)

Year	Great Britain	United States
1845	232,354	411,490
1846	131,515	334,040
1847	305,560	568,543
1848	216,958	561,098
1849	315,490	489,661
1850	216,090	513,687
1851	351,330	673,781
1852	67,546	714,390
1853	152,171	748,103
1854	378,341	501,636
1855	271,656	563,714
1856	239,620	799,254
1857	172,403	593,385
1858	379,706	756,520
1859	223,621	527,206
1860	234,375	816,566
1861	582,183	554,527
1862	513,136	579,471
1863	561,680	483,865
1864	504,901	216,058
1865	407,893	670,144
1866	159,623	860,488
1867	261,903	876,010
1868	195,818	973,655
1869	336,231	1,042,901
1870	453,291	1,316,374

Source: Balanzas mercantiles, 1845-1870. From Sonesson, Puerto Rico's Commerce, Statistical Appendix VI, p. 461.

Table 22 shows the total amount of sugar exported from the island between 1842 and 1898. It illustrates that although Puerto Rico's sugar production reached its peak in the early 1870's after which output decreased somewhat, it never sank into the realms of the unimportant. Quite the contrary: confronted with falling prices, sugar producers attempted to compensate by modernising their equipment and producing even more sugar and one of better quality. This, of course, meant that only the larger producers were able to survive, but it explains why the island continued to be associated with sugar until the end of Spanish rule: not only did Puerto Rico continue to produce sugar, but it was the wealthier hacendados who managed to remain active. This meant that the interests of sugar hacendados would weigh disproportionately in the island's political affairs, at least when compared to those of the coffee producers who were, more often than not small-holders. This situation would persist as late as the 1890's when coffee was bringing into the island the greatest share of income by far. (See Table 23.)

Table 22. Exports of Puerto Rican Sugar, 1842-98

Year	Tons		Year	Tons
1842 ^(a)	41,775		1871	93,912
1843 ^(a)	32,290		1872	80,963
1844 ^(a)	37,209		1873	86,600
1845 ^(b)	42,183		1874	70,905
1846	39,882		1875	73,724
1847	47,354		1876	67,118
1848	46,045		1877	55,980
1849	45,792		1878	75,629
1850	50,968		1879 ^(c)	76,411
1851	53,826		1880	45,711
1852	42,560		1881	56,687
1853	50,275		1882	83,566
1854	49,032		1883	79,738
1855	46,108		1884	98,974
1856	53,154		1885	88,959
1857	39,269		1886	63,777
1858	56,156		1887	80,792
1859	40,202		1888	61,987
1860	52,734		1889	63,611
1861	59,562		1890	58,191
1862	58,547		1891	48,094
1863	52,839		1892	67,297
1864	42,051		1893	43,087
1865	55,025		1894	48,409
1866	50,618		1895 ^(c)	55,000
1867	54,660		1896 ^(c)	54,000
1868	56,098		1897 ^(c)	55,000
1869	65,887		1898 ^(c)	54,000
1870	87,113			

Table 22. [Continued]

Sources: Balanzas mercantiles, 1846-1894 except as follows:

- (a) P.R.O., F.O. 72/683. Lindegren to Palmerston, 14 January, 1845.
- (b) P.R.O., F.O. 72/732. Lindegren to Palmerston, 26 January, 1847.
- (c) Noel Deerr, *op. cit.*, Vol. I., p.126.

Figures from the P.R.O. correspond to consular reports and quote official values. Figures by Noel Deerr appear to be approximations. Deerr does not quote his source.

Table 23. Compared Value of Puerto Rican Exports of Sugar and Coffee, 1890-1894 (£000's)

Year	Exports of Sugar	Sugar as % of all Exports	Exports of Coffee	Coffee as % of all Exports	Total Exports
1890	756	28.8	1,593	60.8	2,619
1891	625	31.6	1,059	53.5	1,977
1892	807	26.6	1890	62.4	3,026
1893	550	17.6	2,319	74.3	3,118
1894	594	19.7	2,189	72.8	3,033

Source: P.P. 1893-94 [C.6853] XCVI.1, Report for the Year 1891 on the Trade of Porto Rico, by Acting Consul William G. Latimer to the Earl of Rosebery; and P.P. 1895 [C.7581] C.1, Report for the Years 1892-93-94 on the Trade of Porto Rico, by Consul A.H. Vecqueray to the Earl of Kimberly.

2. Coffee

With the decline of "King Sugar" came the rise of coffee as the ruling export product of Puerto Rico, or rather, its return. Coffee was not a newcomer to the island. it had first been introduced in the middle of the eighteenth century by Governor Felipe Ramírez de Estenós. By 1775, the island was yielding approximately 10,000 cwts. of coffee and it was in great demand by foreign smugglers who considered it the best of all America and practically bought the whole harvest.⁴⁴

In the 1780's it appears to have overtaken tobacco as the main export product of the island and was to remain so until it was overtaken by sugar in the 1820's.⁴⁵ (See Table 24.)

Table 24. Main Puerto Rican Export Staples, Selected Years, 1812-30 (in short tons)

Year	Sugar	Coffee	Tobacco
1812	838	3,905	439
1814	1,093	324	562
1817	2,340	2,423	1,257
1820	1,583	2,936	558
1824	8,972	3,505	327
1827	18,277	6,545	663
1830	14,126	6,569	995

Source: Francisco A. Scarano, *Sugar and Slavery in Puerto Rico: The Plantation Economy of Ponce, 1800-1850*. Madison, University of Wisconsin Press, 1984, p. 7.

⁴⁴Morales, *Puerto Rico and the Non-Hispanic Caribbean...*, p. 94.

⁴⁵Picó, *op. cit.*, p.160.

During the next three decades, exports of coffee took on a secondary position in the island's economy remaining stable at between 4,000 and 7,000 tons each year until the 1860's when they rapidly began to increase. From the middle of the nineteenth century to the 1880's, the world's three major suppliers of coffee experienced severe setbacks in their production. Brazil and Java both suffered from agricultural mishaps from which the former was slow in recuperating and the latter never did (choosing to substitute rice as its staple export instead). The third major producer had been Cuba, but its coffee production was doomed to a losing battle against sugar for land, slaves and capital. A series of hurricanes in the 1840's further contributed to its downfall as did the fact that Cuba's climate had always been somewhat hotter than that required for coffee to achieve its optimum yield. According to Ely, "Cuban coffee, which had once so flourished, entered a fast and hopeless decline and by 1855 it was no longer an important factor amongst the world's producing nations."⁴⁶ (See Table 25.)

Table 25. Coffee Exports from Cuba, Selected Years, 1820-59 (in millions of lbs.)

Year	Quantity		Year	Quantity
1820	22.1		1840	53.5
1825	26.7		1845	55.9
1830	44.9		1850	13.0
1833	64.1		1855	11.8
1835	35.4		1859	6.0

Source: Jacobo de la Pezuela y Lobo, *Diccionario geográfico, estadístico, histórico de la isla de Cuba*. Vol. II, Madrid, 1863, p. 39, from Ely, *op. cit.*, p. 144.

⁴⁶Ely, *op. cit.*, p. 570.

Ely produces the following estimates for world production of coffee in 1855:

Table 26. Estimated Production of the World's Most Important Coffee Exporters, 1855

Country	Millions of Lbs.
Brazil	320
Java	110
Haiti	35
Ceylon	35
Guiana	30
Cuba and Puerto Rico*	25
Sumatra	10
Costa Rica	5
Moka	5
British West Indies	5
French and Dutch West Indies	3
Philippines	2
TOTAL	585

* Of the amalgamated total of Cuba and Puerto Rico, over 13 million lbs were produced in Puerto Rico (See Balanza mercantil, 1855).

Source: Ramón de la Sagra, *Cuba en 1860, o sea, cuadro de sus adelantos en la población, la agricultura, el comercio y las ventas públicas*. Paris, 1863, p. 146. Quoted from Ely, *op. cit.*, p. 145. De la Sagra's estimates are based on the *Annales du commerce exterieur de la France*.

That same year, Ely's source, estimated the following figures for world consumption:

Table 27. Estimated World Consumption of Coffee, 1855

Country	Millions of Lbs.
United States	200
France and Central Europe	110
German States	100
Holland and Belgium	80
Austria	65
Great Britain	33
Scandinavia	25
Russia	15
Boer Republic	10
TOTAL	638

Source: De la Sagra, *op. cit.*, p. 146. Quoted from Ely, *op. cit.*, p. 144.

These figures, although only estimates, suggest the profitability of coffee production at the time.

The intake of hot bitter aromatic beverages, such as coffee, tea and chocolate was a direct result of imperialism. The aromatic substances were produced in increasing quantities in the colonies after the middle of the seventeenth century to be consumed sweetened and often with milk in Europe. The first London coffee-house appears to have been opened by a Turkish merchant in 1652.⁴⁷ Its popularity was great and the institution soon spread both across England and in the Continent. It had distinct advantages over alcohol as, not only was it cheaper, but it could be ingested at any time of the day without any disruption to the drinker's mental faculties.⁴⁸ The late seventeenth century French

⁴⁷Mintz, *op. cit.*, p. 111.

⁴⁸Picó, *op. cit.*, p. 197 and Mintz, *op. cit.*, pp. 110-111.

traveller, Misson, commented favourably on London's coffee houses:

You have all Manner of News there: You have a good Fire, which you may sit by as long as you please. You have a Dish of Coffee; you meet your Friends for the Transaction of Business, and all for a Penny, if you don't care to spend more.⁴⁹

Once the privilege of the wealthy, coffee, tea and to a lesser degree chocolate, followed the path of sugar in that they gradually became a necessity for all classes of society, especially in England. Sidney Mintz explains the popularity of these beverages as a means of satisfying both physical and psychological needs:

The first half of the eighteenth century may have been a period of increased purchasing power for laboring people, even though the quality of nutrition probably declined at the same time. Innovations like the liquid stimulants and the greatly increased use of sugar were items for which additional income was used, as well as items by which one could attempt emulation of those at higher levels of the social system. But labelling this usage "emulation" explains very little. The circumstances under which a new habit is acquired are as important as the habits of those others from whom the habit is learned. It seems likely that many of the new tea drinkers and sugar users were not fully satisfied with their daily fare. Some were doubtless inadequately fed; others were bored by their food and by the large quantities of starchy carbohydrates they ate. A hot liquid stimulant full of sweet calories doubtless "hit the spot", perhaps particularly for people who were already undernourished."⁵⁰

⁴⁹D.C. Drummond and A. Wilbraham, *The Englishman's Food: A History of Five Centuries of English Diet*. London, Jonathan Cape, 1958, p. 116. Quoted from Mintz, *op. cit.*, p. 111.

⁵⁰Mintz, *op. cit.*, p. 118.

The reasons for English, and eventually British, preference of tea over coffee are more simple and less to do with taste than with economy. Tea was more economical, rendering more beverage per lb. than either coffee or chocolate. It could be more successfully adulterated, its taste weakened and sweetened being more tolerable than equally weakened and sweetened versions of coffee or chocolate. But perhaps most importantly, the interests of the ultra powerful Honourable East India Company were specifically centred around China tea, holding a virtual monopoly on its importation from the second half of the seventeenth century until 1833. The East India Company

constituted not only the world's greatest tea monopoly but also the source of inspiration for the first English propaganda on behalf of a beverage. It was so powerful that it precipitated a dietetic revolution in England, changing the British people from a nation of potential coffee drinkers to a nation of tea drinkers, and all within the space of a few years.⁵¹

When the company's monopoly reached an end, the taste for tea and the preference for this beverage over coffee were well rooted in Britain. The active development of British financed tea production in India in the 1840's was to ensure its plentiful supply to this day. (See Table 28.)

If the British drank more tea than coffee and if after 1870 they were seasoning it with European beet sugar rather than Antillean cane sugar, then this could only mean that Puerto Rico was losing a customer, one that between 1846 and 1870 had been quite important. The limited quantities of coffee that were consumed in

⁵¹W. H. Ukers, *All About Tea*. New York, The Tea and Coffee Trade Journal Co., Vol. I, p. 67. Quoted from Mintz, *op. cit.*, p. 112.

Britain had always been largely imported from sources within the empire, such as the British West Indies or the territories of the East India Company and Ceylon. Puerto Rican coffee was not completely ignored by the English, some quantities of it reaching English ports from where much of it was re-exported. Table 29 illustrates this fact for two sample years: 1830 and 1842. It demonstrates an erratic pattern of British importation of Puerto Rican coffee and its re-exportation in large quantities. Although the data refers to the first half of the nineteenth century, the trend remained similar until 1898.

Table 28. Per Capita Consumption of Coffee and Tea in the United Kingdom at Five-Yearly Intervals, 1800-1900 (in lbs.)

Year	Coffee	Tea		Year	Coffee	Tea
1800*	.08	1.48		1855	1.29	2.28
1805*	.11	1.45		1860	1.23	2.67
1810*	.44	1.37		1865	1.02	3.27
1815	.34	1.35		1870	.97	3.76
1820	.34	1.22		1875	.98	4.43
1825	.50	1.31		1880	.92	4.57
1830	.95	1.26		1885	.91	5.06
1835	.93	1.46		1890	.75	5.17
1840	1.08	1.22		1895	.70	5.65
1845	1.23	1.59		1900	.71	6.07
1850	1.13	1.86				

*Figures for 1800, 1805 and 1810 correspond to Great Britain only.
Source: B.R. Mitchell, with the collaboration of Phyllis Dean, *Abstracts of British Historical Statistics*. Cambridge, University Press, 1962, pp. 355-356.

Table 29. Quantities of Coffee Imported into the United Kingdom and Quantities Admitted for Home Consumption, Distinguishing the Countries or Colonies from which Imported, 1830 and 1842 (in lbs.)

Origin	1830		1842	
	Quantity Imported	Quantity Retained	Quantity Imported	Quantity Retained
British West Ind.	27,460,421	21,674,313	9,491,646	9,405,671
Haiti	966,609	478	1,559,609	5,766
Cuba	1,598,528	183	2,019,626	200,503
Puerto Rico	241,687	0	72,466	3,981
Brazil	3,242,513	495	5,833,345	47,015
Chile	0	0	443,651	77,460
Colombia	274,386	3	1,746,011	529,934
Sierra Leone *	267	1,496	588	478
Cape of Good Hope	189	189	1,572,027	6,149,489
Mauritius	29,506	224	69,075	3,706
East India Co.'s Territ.'s	5,212,637	989,160	7,052,424	4,129,199
Ceylon	803,779		11,154,024	7,938,731
Java	973,450	0	43,063	492
Philippine Islands	6,427	0	26	359
France	15	15	28	22
Other ports	141,749	2,697	386,805	27,740
TOTAL	40,952,163	22,669,163	41,444,414	28,519,646

Overall exports of Puerto Rican produce to Great Britain fell drastically after 1870 not only in absolute terms but also as a proportion of all exports. (See Table 30). In 1864, towards the end of the United States Civil War, Britain had been responsible for 38.5 per cent of Puerto Rico's export trade. By 1870 this proportion was down to 23.2, but it continued to fall reaching an abysmal .4 per cent of all purchases in 1897.

Table 30. Value of Puerto Rican Exports to Great Britain, 1870-97 (in '000s of pesos) and the Percentage of all Exports these Represented

Year	Value	% of Total		Year	Value	% of Total
1870	1,877	23.2		1884	1,803	15.5
1871	1,420	15.7		1885	908	6.4
1872	1,706	21.5		1886	326	3.1
1873	2,237	26.6		1887	516	4.7
1874	1,617	23.4		1888	264	2.8
1875	1,872	24.5		1889	169	1.5
1876	1,866	26.5		1890	102	3.9
1877	1,959	18.8		1891	198	5.8
1878	3,296	25.2		1892	1,011	6.9
1879	2,558	22.0		1893	541	3.7
1880	1,182	13.8		1894	1,094	6.8
1881	2,230	17.2		1895	1,236	7.8
1882	2,159	18.6		1896	144	.7
1883	1,176	9.9		1897	77	.4

Balanzas mercantiles, 1870-1897; and Report for the Year 1899 on the Trade and Commerce of Porto Rico by Mr. Consul Churchward. P.P. 1900 [cd. 1] [Cd. 352] XCII.1, XCIII.1, XCIV.1, XCVI.1, XCVII.1, XCVIII.1.

Unlike with sugar, the United States was never Puerto Rico's main customer for coffee, even though that country was (and still is) the world's greatest consumer of the beverage. (See Table 31.) The reason behind this is mainly a question of quantity rather than quality. In 1870, the United States tariff was amended lowering the

Table 31. Consumption of Coffee per Head in the United Kingdom, Russian Empire, German Empire, France, Italy, Austria-Hungary and the United States, 1884-99 (in lbs.)

Year	U.K.	Russian Empire	German Empire	France	Italy	Austria Hungary	U.S.
1884	0.90	0.17	5.28	3.94	1.23	2.01	9.26
1885	0.91	0.16	5.55	3.94	1.77	2.06	9.60
1886	0.87	0.15	5.77	3.93	0.81	2.09	9.36
1887	0.80	0.10	4.70	3.67	1.06	1.76	8.53
1888	0.83	0.13	5.24	3.90	1.03	1.88	6.81
1889	0.76	0.11	5.11	3.74	0.99	1.87	9.16
1890	0.75	0.12	5.26	3.89	1.02	1.87	7.83
1891	0.76	0.11	5.55	4.02	1.00	1.89	7.99
1892	0.74	0.12	5.34	4.12	1.00	1.93	9.61
1893	0.69	0.12	5.30	3.96	0.99	1.88	8.24
1894	0.68	0.12	5.24	3.99	0.87	1.93	8.01
1895	0.70	0.12	5.15	4.13	0.85	1.94	9.22
1896	0.69	0.11	5.42	4.29	0.89	2.00	8.04
1897	0.69	0.13	5.61	4.41	0.90	2.06	9.95
1898	0.69	0.14	6.19	4.51	0.93	2.16	11.45
1899	0.72	0.14	6.12	4.62	0.98	2.04	10.55

Source: Statement of Imports of Tea and Coffee into Principal Countries of Europe and United States. P.P. 1900 (351) LXXIX.425.

duty on a series of articles amongst which coffee was included.⁵² In 1872, a combination of redundant revenue and pressure from the agricultural sector brought about further changes to the tariff. These included the admission of some articles, like tea and coffee, duty free.⁵³ Brazilian coffee was to benefit most from this policy, shifting its orientation from the European market to the larger United States market.⁵⁴ Indeed, Brazil, in spite of its troubles during the 1880's, continued to be the world's largest coffee producer, to the extent that well over half of the coffee consumed worldwide was of Brazilian origin throughout the nineteenth century. (See Table 32.)

Brazilian coffee was much cheaper than the coffee produced in Puerto Rico. Indeed, Puerto Rican coffee appears to have figured amongst the world's most expensive coffees, a fact attributable to its exceedingly fine quality. In 1871, Consul Cowper described the island's coffee, particularly that of the district of Aguadilla as "second to none in the world" in terms of quality.⁵⁵ More than 20 years later, Consul Vecqueray laments the fact that the British tea-drinking habit deprives his countrymen of this excellent beverage:

The coffee of Porto Rico, little known in England, unfortunately, is of the very best quality and fetches a higher price in the New York market than that of Cuba, Costa Rica, Brazil or any other of the American States.⁵⁶

⁵²F.W. Taussig, *The Tariff History of the United States. A Series of Essays*. Fourth edition, New York, London, G.P. Putnam's Sons, 1898, pp. 171-193.

⁵³*Ibid.*, pp. 180-191.

⁵⁴Laird, W. Bergad, "Agrarian History of Puerto Rico, 1870-1930", *Latin American Research Review*. Vol. XIII, No. 3, 1978, p.68.

⁵⁵Report by Consul Cowper on the Trade and Commerce of the Island of Puerto Rico for the Year 1870. P.P., 1871 [C.402] LXVI.1.

⁵⁶Report for the Year 1894 on the Trade of Porto Rico by Consul Vecqueray. P.P., 1895 [C.7581] C.1,

Table 32. Brazilian Coffee as a Proportion of Total
World Coffee Production, 1880-1900
(in thousands of sixty-kg. bags)

Year	Brazil	Other Countries	Total
1880	5,783	4,192	9,975
1881	5,619	4,113	9,804
1882	6,852	4,944	11,796
1883	5,166	3,979	9,145
1884	6,492	4,149	10,641
1885	5,770	3,900	9,670
1886	6,320	4,145	10,465
1887	3,165	3,760	6,925
1888	6,925	4,090	11,015
1889	4,405	4,015	8,490
1890	5,525	3,760	9,285
1891	7,695	4,245	11,940
1892	6,535	4,740	11,275
1893	5,040	4,360	9,400
1894	7,235	4,530	11,765
1895	6,005	4,390	10,395
1896	9,315	4,600	13,915
1897	11,210	4,840	16,050
1898	9,320	4,405	13,725
1899	9,425	4,380	13,805
1900	11,285	3,785	15,070

Source: Thomas H. Holloway, *Immigrants on the Land, Coffee and Society in São Paulo, 1866-1934*. N.p., The University of North Carolina Press, 1980, p. 175.

Table 33. Prices of Brazilian (Santos) and Puerto Rican Coffee, 1885-97 (in dollars/quintal)

Year	Brazil (US Dollars)	Puerto Rico (Pesos)
1885	6.81	14.00
1886	9.77	14.00
1887	13.50	14.00
1888	12.50	14.00
1889	16.32	20.00
1890	17.04	20.00
1891	13.77	14.00
1892	13.32	22.00
1893	17.23	26.00
1894	13.36	26.00
1895	12.90	26.00
1896	8.77	23.50
1897	6.22	23.50

Sources: For Brazil: Holloway, *op. cit.*, p. 177 (quoted from Departamento Nacional do Café, *Anuário estatístico*, 1938, p. 264. Prices originally given in U.S. dollars per 10 Kg. bags). For Puerto Rico: For 1885 and 1886: Hertslet's report on Puerto Rico for 1886, P.P. 1888; for 1887, Hertslet's report on Puerto Rico for 1887, P.P. 1888; for 1888, Hertslet's report on Puerto Rico for 1888, P.P. 1890; for 1889: Latimer's report on Puerto Rico for 1889, P.P. 1890-91; for 1890, Latimer's report on Puerto Rico for 1890, P.P. 1892; for 1891, Latimer's report on Puerto Rico for 1891, P.P. 1893-94; for 1892-94, Vecqueray's report on Puerto Rico for 1892-94, P.P. 1895; for 1895, Vecqueray's report on Puerto Rico for 1895, P.P. 1896; for 1896, Crawford's report on Puerto Rico for 1896, P.P. 1897; and for 1897, Churchward's report on Puerto Rico for 1899, P.P. 1900.

Table 33 (above) compares the prices of Brazilian and Puerto Rican coffee from 1885 to 1897. Puerto Rican prices are annual averages collected from the consular reports for those years and calculated at the nominal value of one Puerto Rican peso being equal to one United States dollar (or five pesos to the pound sterling). In reality, this value was artificial and in the late 1880's and 1890's it became quite heavily inflated. Real values, corrected according to the consuls' reports on the average exchange rates⁵⁷, would yield average prices of around 17 to 18 U.S. dollars per quintal of Puerto Rican coffee during the boom era in the early 1890's, falling to approximately 15 U.S. dollars in the second half of the decade, still considerably above the Brazilian prices. Furthermore, whereas Brazilian coffee prices plummeted after 1895 as a result of that country's over production and a consequent glut of the world market, Puerto Rican prices decreased mildly but remained reasonably stable.

Laird Bergad offers an alternative list of prices, those paid to the exporters Castañer Hermanos of Ponce for *choice* Puerto Rican coffee. (See Table 34.) Even allowing for an average exchange rate fluctuating between .87 and .58 Puerto Rican cents to the U.S. dollar, as opposed to the nominal value of 1:1, the prices were much higher than those of Brazilian coffee and remained

⁵⁷Consuls Vecqueray and Crawford report the following average rates of exchange for official Puerto Rican currency (to the pound sterling):

1889	5.75
1892	6.00
1893	7.00
1894	8.50
1897	8.50
1896	7.65

Rates extracted from Parliamentary Papers Consular Reports. For 1889 and 1892-94: Report on the Trade and Commerce of the Consular District of Porto Rico for the Years 1892, 1893 and 1894 by Consul Vecqueray. P.P. 1895 [C.7581] C.1, p. 543; for 1895: Report on the Trade of Porto Rico by Consul A.H. Vecqueray. P.P. 1896 [C.7919] LXXXVIII.1, p. 683; and for 1896: Report for the Year 1896 on the Trade of Porto Rico by Consul Geo. W. Crawford. P.P. 1897 [C.8277] XCIII.1, p. 588.

Table 34. Market Prices for Choice Puerto Rican Coffee, 1885-97 (in pesos and estimated U.S. dollars/quintal)

Harvest	Price in Pesos	Approximate Price in U.S. Dollars
1885/86	14.62	n/a
1886/87	20.50	n/a
1887/88	23.87	n/a
1888/89	23.00	n/a
1889/90	25.50	21.08
1890/91	27.50	23.04
1891/92	25.00	22.82
1892/93	29.00	22.50
1893/94	31.25	21.51
1894/95	36.50	19.92
1895/96	29.00	19.26
1896/97	31.25	19.68

Source: Laird W. Bergad, *Coffee and the Growth of Agrarian Capitalism in Nineteenth Century Puerto Rico*. Princeton, University Press, 1983, p. 171. For the values of the exchange rate to which these prices have been adjusted see Ref. 57.

relatively unaffected by the downturn in world prices. Puerto Rico's expensive product held little attraction for a market like the United States which required large imports of low quality coffee. In 1883, an exceptional year, the United States purchased 17 per cent of Puerto Rico's exported coffee, but from then on, purchases steadily declined averaging under two per cent for the last ten years of Spanish rule.⁵⁸ This experience

⁵⁸Bergad, "Agrarian History...", p.69.

contrasts with that of Colombia, who was exporting between 44 and 65 per cent of its coffee to the United States during the years 1883 to 1897,⁵⁹ and especially, of course, with that of Brazil. The United States absorbed a great proportion of the Brazilian product which in the 1880's left a large portion of European demand unsatisfied. "Here," says Bergad, "is where Puerto Rican exporters were to find the market stability that led to coffee prosperity."⁶⁰

And coffee prospered indeed. Its newfound demand prompted many a small holder to add it to his subsistence crops of plantains, guavas, and various root vegetables. He need but wait four years for the bush to mature under the shade of food-bearing trees to obtain a profitable cash-crop with next to no investment apart from the plants themselves, for coffee, unlike sugar, did not require large-scale, highly mechanised plantations to be grown at a profit. It was successfully produced in large, medium and small farms. In a small holding, all the harvesting could easily be done by the family.⁶¹

Consul Vecqueray confirms this fact in 1894 stating that the cultivation of coffee required little capital and labour compared to that of sugar, and adding with a tinge of prejudice that "in this respect (it) thoroughly suits the habits and dispositions of the natives."⁶²

Substituting "resources and conditions" for "habits and dispositions", Vecqueray's assessment of coffee planting is correct. A large number of peasants whose mountainous

⁵⁹Marco Palacios, *Coffee in Colombia, 1850-1970. An Economic, Social and Political History*. Cambridge, Cambridge University Press, 1980, p. 212.

⁶⁰Bergad, "Agrarian History...", p. 69.

⁶¹Fernando Picó, *Amargo café: Los pequeños y medianos caficultores de Utuado en la segunda mitad del siglo XIX*. Second edition. Río Piedras, Ediciones Huracán, 1985, pp. 77-78.

⁶²Consul Vecqueray's Report for the Year 1894 on the Trade of Porto Rico. P.P. 1895 [C.7581] C.1., pp. 711-712.

land had been of little value during the hegemony of sugar discovered that the same land was now an optimum medium for coffee cultivation. Coffee's high value per volume also made transportation costs less onerous⁶³ which was an important consideration given the state of highland roads. It is not surprising, therefore, that coffee production in Puerto Rico began as a family business and, to a large extent, remained that way very much unlike sugar which was generally the prerogative of the large land owner. The average sugar hacienda in Ponce in 1845 was a large and complex enterprise covering over 580 cuerdas with a labour force of 49.⁶⁴ In contrast, and although throughout the century there was a tendency for the larger coffee farms to grow at the small-holders' expense, in Utuado, a major coffee-growing district, most farms covered less than 400 acres throughout the century with over one third being under 200 cuerdas in extent.⁶⁵

The ease with which the agricultural sector in Puerto Rico "converted", so to speak to coffee, a crop which had in any case never been absent from the island's list of exports in spite of sugar's predominance, explains why it was so quick to respond to the new European demand in France, Germany and Italy. In the latter country especially, and in the whole of the Levant region, Puerto Rican coffee appears to have been particularly highly rated.⁶⁶ Its main purchasers, however, proved to be Spain and Cuba. Cuba's coffee industry had already suffered as a result of internal competition from the sugar industry and the Ten Year War

⁶³Bergad, "Agrarian History...", p. 68.

⁶⁴Scarano, *op. cit.*, p.64.

⁶⁵Picó, *Amargo café*, pp. 61-62.

⁶⁶Report by Consul Stevens on the Trade and Commerce of the Island of Puerto Rico for the Year 1882. P.P. 1884 [C.3837] LXXIX.367, pp. 133-134.

for independence against Spain was fought out precisely in what remained of that island's coffee-producing zone, ensuring the complete demise of the Cuban export trade in coffee and bringing about the need for its importation.⁶⁷

It is important here to stress the transformation that occurred in the character of Puerto Rico's export trade. Until the 1870's it had been a trade mainly in sugar in which the interests of the United States and Britain predominated. After the 1880's, it became mainly a trade in coffee directed towards Spain, Cuba and continental Europe and all statistical sources bear evidence to this reality. (See Tables 35, 36, 37 and 38.) In the light of these facts, one can only subscribe to Laird Bergad's amazement that the whole subject of coffee production in Puerto Rico has received "so little scholarly attention"⁶⁸ (at least in relation to that of sugar) and, one might add, that that of the dynamics of its export trade has received practically no attention at all.⁶⁹

⁶⁷Picó, *Historia general...*, p. 197 and Annie Santiago de Curet, *op. cit.*, p.94.

⁶⁸Bergad, "Agrarian History...", p. 69.

⁶⁹So far, I have only encountered two statistical references to Puerto Rico's coffee trade from one contemporary scholar. Both of these references are from Laird Bergad's work. The first appears in his 1978 article: "Agrarian History of Puerto Rico, 1870-1930" (*Latin American Research Review*, Vol. XIII, No. 3. 1978). In two paragraphs between pages 68 and 69, he offers a fair summary of the situation using various United States governmental statistical reports as a source which were presumably based on the island's original customs reports (*Balanzas mercantiles*) as their data appear to agree. There is however, one exception: Bergad states that "in 1876... Puerto Rican coffee exports were worth \$1.25 million (U.S. dollars)" This figure appears to be vastly under-rated, even taking into account differences between nominal and real exchange rates. Although Consul Pauli's (P.P. 1877 [C.1855] LXXXIII.3, pp. 1538 and 1542-45) figure of £1,178,949 (\$5,894,745 at par rate) appears equally exaggerated in the opposite direction, a sensible estimate could be achieved by multiplying the officially declared 9,467 tons (208,274 quintals) by the average export price for that year of \$18.00 per quintal which would yield a total of \$3,748,932, a figure which is more in line with the official total of Puerto Rican exports for 1876 of \$7,000,000 in which coffee's profit-yielding prominence over sugar is already manifest.

The second and last statistical reference to this trade that I have come across with is in Bergad's 1983 book *Coffee and the Growth of Agrarian Capitalism in Nineteenth Century Puerto Rico* (Princeton,

Table 35. Exports of Puerto Rican Coffee, 1846-97
(in tons)

Year	Tons		Year	Tons		Year	Tons
1846	4,761		1864	7,670		1882	13,539
1847	6,121		1865	8,618		1883	17,071
1848	4,370		1866	6,784		1884	11,848
1849	3,916		1867	8,736		1885	21,669
1850	5,356		1868	7,302		1886	16,791
1851	5,505		1869	7,153		1887	12,551
1852	5,169		1870	7,917		1888	23,225
1853	5,264		1871	9,465		1889	17,351
1854	5,124		1872	8,343		1890	20,277
1855	6,201		1873	11,746		1891	19,286
1856	4,798		1874	8,077		1892	21,477
1857	5,063		1875	11,892		1893	22,329
1858	4,195		1876	9,467		1894	22,910
1859	6,030		1877	7,202		1895	18,036
1860	7,238		1878	7,751		1896	26,345
1861	6,319		1879	13,877		1897	23,227
1862	5,718		1880	9,924			
1863	7,590		1881	21,446			

Source: Balanzas mercantiles, 1846-97.

University Press, 1983). In his Appendix (p. 225) Bergad admits that although his study has stressed the importance of external markets, the dynamics of the international coffee market have not been considered. He stresses the role of Spain, Cuba and continental Europe in this trade in contrast with the absence of the United States and includes a table (reproduced here as Table 36) detailing the destinations of exports of Puerto Rican coffee between 1846 and 1897, according to the island's official customs reports.

Table 36. Destinations of Puerto Rican Coffee Exports
(including Spain, France, Germany, England, United
States, Italy, Austria, Cuba and Others), 1846-97
(in millions of lbs.)

Year	SP	FRAN	GERM	ENG	US	ITAL	AUST	CUBA	OTH	TOT
1846	.9	2.4	3.4	.6	.4	-	-	-	2.7	10.5
1852	2.0	1.0	2.0	3.2	.2	-	-	-	2.9	11.4
1853	1.6	.5	3.9	3.7	.4	-	-	-	1.6	11.6
1854	1.8	.6	2.4	2.9	1.5	-	-	-	1.9	11.3
1855	2.0	.7	2.0	5.0	1.3	-	-	-	2.6	13.6
1856	2.4	1.1	2.6	2.1	.2	-	-	-	2.1	10.5
1857	3.5	1.8	1.0	1.9	.1	-	-	-	2.9	11.1
1858	2.2	.7	1.2	1.3	.6	-	-	-	3.2	9.2
1859	2.1	1.0	2.6	2.9	.4	-	-	-	4.3	13.3
1860	4.7	.9	1.3	5.8	.3	-	-	-	3.0	15.9
1861	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
1862	5.1	.7	-	2.9	.4	-	-	-	3.4	12.6
1863	6.9	.3	.8	4.3	.4	-	-	-	4.0	16.7
1864	5.2	.8	.7	2.7	1.2	-	-	-	6.3	16.9
1865	5.8	2.8	3.4	1.3	1.2	-	-	3.6	.9	19.0
1866	3.3	-	4.0	1.6	.5	3.3	-	1.1	1.1	14.9
1867	5.4	1.3	2.6	4.0	-	3.3	-	2.4	.1	19.2
1868	2.8	.8	2.0	2.7	.2	2.2	-	4.4	.9	16.1
1869	4.1	1.0	4.9	1.2	.1	1.4	-	2.9	.1	15.7
1870	4.5	1.3	-	3.1	.1	2.1	-	6.0	.3	17.4
1871	5.1	.7	.6	3.5	.3	1.9	-	8.2	.4	20.8
1872	2.5	.4	-	1.2	.8	2.0	-	10.4	.9	18.4
1873	6.3	-	1.1	2.9	2.6	2.8	-	9.8	.2	25.8
1874	2.9	.4	.2	1.5	4.7	.9	-	6.6	.6	17.8
1875	4.0	.6	-	2.0	3.8	2.4	-	10.2	3.1	26.2
1876	2.8	.1	.1	1.5	.2	1.0	-	13.9	1.1	20.8
1877	2.4	.8	.3	.6	-	-	-	8.5	3.2	15.8

Table 36. Destinations of Puerto Rican Coffee Exports
(Cont.)

Year	SP	FRAN	GERM	ENG	US	ITAL	AUST	CUBA	OTH	TOT
1878	2.1	.9	.4	.4	-	1.0	-	10.5	1.7	17.0
1879	3.3	4.0	.2	4.2	2.0	1.3	-	9.3	6.1	30.5
1880	2.3	3.0	1.3	1.9	1.3	1.4	-	9.0	1.6	21.8
1881	6.0	8.3	3.5	5.7	4.5	1.4	-	14.5	3.4	47.2
1882	4.6	4.0	1.6	3.6	1.3	1.5	-	11.3	1.4	29.4
1883	7.4	5.6	2.4	1.3	6.5	1.1	-	11.1	1.8	37.1
1884	5.1	3.7	2.3	.7	4.0	1.1	-	7.6	1.1	25.8
1885	5.5	8.2	5.7	2.2	3.6	2.6	-	17.1	2.1	47.1
1886	3.4	11.2	3.8	.3	2.2	2.1	.1	12.1	1.2	36.4
1887	5.4	3.5	1.8	.1	.7	.7	-	11.7	3.5	27.3
1888	8.2	14.8	5.7	.5	.9	1.8	.5	17.2	.7	50.7
1889	4.6	8.0	5.3	.7	.2	3.4	1.4	13.5	.4	37.7
1890	7.4	6.9	5.5	.1	.9	3.0	1.4	16.1	1.9	43.3
1891	11.7	4.5	2.9	.1	.1	2.7	3.0	15.9	.2	41.1
1892	10.6	5.9	5.2	.7	.4	3.2	3.2	17.0	.4	46.7
1893	11.7	7.0	7.7	.4	1.0	2.3	1.3	15.3	1.8	48.5
1894	12.1	7.8	7.1	.8	.9	2.1	1.1	17.3	.6	49.8
1895	9.6	6.1	5.1	1.1	.1	2.6	.6	14.1	.2	39.7
1896	16.2	11.1	8.0	.3	.3	4.3	2.2	15.4	-	58.0
1897	14.9	12.6	8.6	.1	.1	4.2	1.1	8.7	.1	51.1

Source: Laird W. Bergad, *Coffee and the Growth of Agrarian Capitalism in Nineteenth-Century Puerto Rico*. Princeton, Princeton University Press, 1983, pp. 226-227. (Extracted from Balanzas mercantiles, 1846-98. All figures have been rounded off by Bergad to the nearest hundredth.)

Table 37. Exports to Britain, the United States, Spain
and Cuba as a Percentage of all Puerto Rican
Exports, 1870-97

Year	Britain	U.S.	Britain & U.S.	Spain	Cuba	Spain & Cuba
1870	23.2	56.7	79.9	5.3	4.7	10.0
1871	15.7	62.7	78.4	4.8	6.8	11.6
1872	21.5	52.3	73.8	4.1	9.1	13.2
1873	26.6	47.9	74.5	6.5	7.9	14.4
1874	23.4	55.1	78.5	5.1	7.0	12.1
1875	24.5	47.1	71.6	6.5	9.6	16.1
1876	26.5	41.4	67.9	5.0	15.2	20.2
1877	18.8	35.4	54.2	8.1	20.2	28.3
1878	25.2	35.9	61.1	5.4	23.0	28.4
1879	22.0	27.1	49.1	7.7	10.2	17.9
1880	13.8	27.0	40.8	7.7	25.4	33.1
1881	17.2	24.8	42.0	11.7	21.2	32.9
1882	18.6	34.2	52.8	9.4	18.4	27.8
1883	9.9	40.6	50.5	15.2	14.4	29.6
1884	15.5	43.2	58.7	12.1	9.8	21.9
1885	6.4	37.7	44.1	15.1	16.4	31.5
1886	3.1	35.2	38.3	12.2	16.4	28.6
1887	4.7	41.9	46.6	16.8	16.3	33.1
1888	2.8	35.0	37.8	20.0	27.1	47.1
1889	1.5	27.3	28.8	22.1	17.6	39.7
1890	3.9	19.4	23.3	26.2	20.8	47.0
1891	5.8	23.8	29.6	27.5	23.8	51.3
1892	6.9	22.8	29.7	21.1	24.2	45.3
1893	3.7	16.0	19.7	24.9	23.2	48.1
1894	6.3	14.0	20.3	25.5	25.3	50.8
1895	7.8	19.9	27.7	19.1	24.7	43.8
1896	.7	13.9	14.6	28.8	18.5	47.3
1897	.4	15.1	15.5	27.3	21.6	48.9

Source: Calculations based on information from Balanzas mercantiles, 1870-97.

Table 38. Value of Exports of Puerto Rican Sugar and Coffee and the Percentage they Represent of all Exports, 1885-97

Year	Value of Sugar £000's	Sugar as % of all Exports	Value of Coffee £000's	Coffee as % of all Exports	Value of all Exports £000's
1885	1,156	41.1	1,213	43.2	2,809
1886	829	40.3	938	45.6	2,058
1887	1,050	47.8	702	31.9	2,198
1888	805	33.4	1,300	54.0	2,410
1889	826	31.4	1,359	51.7	2,629
1890	756	28.9	1,593	60.8	2,619
1891	625	31.6	1,059	53.6	1,977
1892	807	25.1	1,890	58.8	3,215
1893	588	17.6	2,322	69.3	3,349
1894	590	17.0	2,209	63.8	3,459
1895	712	25.8	1,755	63.6	2,762
1896	703	20.4	2,509	72.9	3,442
1897	785	21.1	2,444	65.8	3,714

Source: P.P. Consular Reports, 1886-1900. (For references, see Table 33.)

3. Other exports

Throughout the nineteenth century, sugar and coffee together accounted for between 80 and 90 per cent of the total value of Puerto Rico's export trade. This is not to say that the island exported little else besides these two articles. Its list of exports includes such items as tobacco, cotton, molasses, rum, hides, cattle, coconuts, fruit, dyewoods and precious woods; but none of these

ever achieved the importance which the two major crops had on the island's economy.

The production of most of these minor exports had its roots in the previous centuries when subsistence agriculture and contraband were the average Puerto Rican's source of income. Such was especially the case with tobacco, cattle, dyewoods and hides, the production and exportation of which continued uninterrupted during the nineteenth century alongside the two major crops.

a) *Tobacco*

Tobacco had once been the island's most important, albeit illegal, export. It had found avid customers among the Dutch, French and English smugglers who visited the island regularly during the eighteenth century. In Puerto Rico, it does not appear to have ever been grown systematically as a cash crop, as was the case in Cuba and the large plantations of Virginia, but more as a complement to the peasants' subsistence crops and to a large extent it remained that way after it was overtaken by coffee in the 1780's and throughout the whole of the nineteenth century.

Throughout the century, its production did not vary greatly, averaging an output of 2,000 tons per annum for export. (See Table 39.) In 1900, Consul Churchward described the tobacco interest as "small but capable of great extension", stating that tobacco was grown "more as a subsidiary crop than as a steady pursuit."⁷⁰

⁷⁰Report for the Year 1899 on the Trade and Commerce of Porto Rico by Mr. Consul Churchward. P.P. 1900 [Cd.1] [Cd.352] XCVII.1. p.361.

Table 39. Exports of Tobacco from Puerto Rico, 1846-97
(in tons)

Year	Tons		Year	Tons
1846	1,788		1872	2,872
1847	1,035		1873	2,272
1848	1,117		1874	1,926
1849	1,105		1875	2,875
1850	1,352		1876	2,950
1851	2,945		1877	2,726
1852	2,530		1878	2,381
1853	1,683		1879	n/a
1854	1,805		1880	2,518
1855	1,126		1881	3,441
1856	1,570		1882	2,335
1857	1,831		1883	1,758
1858	1,871		1884	1,252
1859*	976		1885	3,495
1860	1,073		1886	2,053
1861	3,524		1887	3,462
1862	4,069		1888	1,519
1863	2,054		1889	3,510
1864	1,572		1890*	808
1865	2,164		1891	1,399
1866	1,536		1892	1,905
1867*	794		1893	1,908
1868	1,209		1894	1,528
1869	1,627		1895	1,807
1870	2,705		1896	1,039
1871	2,446		1897	1,292

* Years of exceptionally low exports, such as 1859, 1867 and 1890 coincide with unfavourable weather conditions such as hurricanes or droughts.

Source: Balanzas mercantiles, 1846-98.

It was probably for this reason that its quality was somewhat neglected. According to Consul Hertslet in 1888, 75 per cent of Puerto Rican tobacco was of inferior quality but some of this was accountable to the neglect of the planters or to bad weather.⁷¹ In 1895, Consul Vecqueray agreed stating that there was some carelessness in the process of curing. Good tobacco, he said, required

no great labour in its cultivation but considerable care and attention, especially as regards the insect pests, and when the leaf is stripped, selected and dried. In all of these the native of Porto Rico is exceedingly careless, and this it is which prevents so good a final product as being obtain as in Havana.⁷²

The quality of choice Puerto Rican tobacco does seem to have changed for the better throughout the century. Consul Cowper mentioned in his report for 1873 that it was improving, "Comaria"⁷³ tobacco being the equivalent in Puerto Rico to Vuelta Abajo in Cuba. "Cigars made exclusively of Comaria (*sic.*) are very smokeable but it would require a great amount of patriotism to favourably compare them with Vuelta Abajo."⁷⁴ In 1882, however, Cowper's colleague, Stevens enthused openly on the quality of the island's best tobacco which "when properly dressed and turned into a well-shaped cigar (can) surpass

⁷¹Report for the Year 1888 on the Trade of Porto Rico by Consul Reginald Hertslet to Marquis of Salisbury. P.P. 1889 [C.5895] LXXVII.1, p. 94.

⁷²Vecqueray's report on Puerto Rico for 1894. P.P. 1895, pp. 712-713.

⁷³Almost certainly a mistake. Cowper is probably referring to the district of Comerío.

⁷⁴Report by Consul Cowper on the Trade and Commerce of Porto Rico for the year 1873. P.P. 1874 [C.1009] [C.1009-1] LXVII.1, 235. p. 885.

perhaps in flavour the choicest Havanas."⁷⁵ This is not surprising considering that in the 1880's and 90's much of the best tobacco produced on the island was sent to Cuba for the manufacture of the "world-famed Havana cigars".⁷⁶ Consul Stevens confirms in 1882 that Puerto Rican tobacco exported to Cuba, once manufactured and re-exported, "passed in Europe as Havana weed".⁷⁷ Earlier in the century, Puerto Rican tobacco leaf had been sold directly to European customers. In the 1850's, Britain was one of its main importers although purchases did fluctuate widely from year to year. (See Table 40.) But as the century progressed, the practice of sending raw tobacco leaf to Cuba for manufacture became prevalent. In the 1880's, Spain became the other important customer for Puerto Rican tobacco. A monopoly was established by the government for the supply of that article in Spain, and yearly bids were put forth by companies for supplying the government with 800 to 1,000 tons of Puerto Rican tobacco.⁷⁸ According to Acting-Consul Latimer, the monopoly was granted to one contractor in 1887 (although he neglects to mention his name) who was bound to import 1,500 tons of Puerto Rican tobacco into Spain each year, a demand with which he was not always able to comply.⁷⁹

A large proportion of production was retained for home consumption giving rise to the island's first and modest manufacturing industry.⁸⁰ In his report for 1882, Consul Stevens reports the establishment of a factory in

⁷⁵Stevens' report on Puerto Rico for 1882. P.P. 1884, p. 133-134.

⁷⁶Hertslet's report on Puerto Rico for 1888. P.P. 1890, p. 94 and Vecqueray's report on Puerto Rico for 1894. P.P. 1895, p. 713.

⁷⁷Stevens' report on Puerto Rico for 1882. P.P. 1884, p. 133.

⁷⁸*Loc. cit.*

⁷⁹Report for the Year 1889 on the Trade of Puerto Rico by Acting Consul William G. Latimer. P.P. 1890-91 [C.6205] LXXXVII.1, p. 802.

⁸⁰Report by Consul Pauli on the Trade and Commerce of Porto Rico for the Year 1874. P.P. 1875 [C.1238] LXXVI.1, p. 805.

San Juan called "Las Dos Antillas", which manufactured cigars of superior quality which, he said, could "vie with the best Havanas, and at one third of the price".⁸¹

Table 40. Exports of Puerto Rican Tobacco to Great Britain (in tons) Compared to Total Exports and as Percentage of Total, 1850-59

Year	Total Exports of Tobacco	Exports to Great Britain	Britain as % of Total
1850	1,352	685	50.7
1851	2,945	515	17.5
1852	2,530	297	11.7
1853	1,683	407	24.2
1854	1,805	329	18.2
1855	1,126	100	8.9
1856	1,570	446	28.4
1857	1,831	583	31.8
1858	1,871	326	17.4
1859	976	828	85.0

Source: Balanzas mercantiles, 1850-59.

The price of tobacco in the export market was instrumental in determining how much to produce in addition to what was necessary to satisfy home consumption. In 1896, Consul Crawford reported that when the price of tobacco was low, its cultivation was practically abandoned which accounted for the great fluctuations in its export.⁸² The price of tobacco,

⁸¹Stevens' report for 1882. P.P. 1884, p. 134.

⁸²Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 590.

however rose quite sharply throughout the century. In 1856, Consul Hunt reports it to average \$6.50 (pesos) per quintal. In 1874, it stood at \$8.00, almost doubling during the 1880's and early 90's, when it stood consistently at approximately \$14.80.⁸³ But in the 1890's, the price of tobacco reached unprecedented heights as a result of the revolution in Cuba. In 1896, Consul Crawford explained that prices of tobacco had increased abnormally

due to the troubles in Cuba and the destruction of plantations of Pinar del Río. Even the commonest grades which a few months ago sold at four dollars per hundred pounds now sell at 25 dollars per 100 pounds. As a result, a very large amount of tobacco has been planted this year.⁸⁴

In Ponce, Vice Consul Toro confirmed that large fields had been planted with tobacco that year in anticipation of the high prices due to the Cuban insurrection.⁸⁵ Between 1893 and 1897, the average price of tobacco stood at over 19 pesos per quintal⁸⁶, almost

⁸³For 1856: Hunt's report on Puerto Rico for 1856. P.P. 1855-57; for 1874: Pauli's report on Puerto Rico for 1874. P.P. 1875, p. 804; for 1882: Steven's report on Puerto Rico for 1882. P.P. 1884, p. 133; for 1885 and 1886: Report for the Year 1886 on the Trade and Commerce of Porto Rico by Consul Reginald Hertslet. P.P. 1888 [C.5252] CII.1, p. 378; for 1887 and 1888: Hertslet's report on Puerto Rico for 1888. P.P. 1890, p. 100; for 1889 and 1890: Report for the Year 1890 on the Trade of Puerto Rico by Acting Consul William G. Latimer. P.P. 1892 [C6550] [C.6812] LXXXIV.1, p. 178; for 1891: Report for the Year 1891 on the Trade of Porto Rico by Acting Consul William G. Latimer. P.P. 1893-94 [C.6855] XCVI.1, p. 842; and for 1892: Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, p. 544.

Consuls state actual average price in reports for 1856 and 1874. For the 1880's and 1890's, the prices are calculated by dividing the total value of tobacco exported into the total number of quintals.

⁸⁴Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 590.

⁸⁵Vice-consul Toro's report on Ponce for 1895 (appended to Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 593).

⁸⁶Prices for 1893 and 1894: Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, p. 544; for 1895: Vecqueray's report on Puerto Rico for 1895. P.P. 1896, p. 688; for 1896: Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 595; and for 1897: Churchward's

three times its average price in 1856.

Whether tobacco would have taken off as a major crop in Puerto Rico is something we will never know, as the days of high prices and extended cultivation were abruptly interrupted in the summer of 1898. In 1900, Consul Churchward described the state of the tobacco export industry as quite precarious. Since the war, the Puerto Rican leaf had lost its two main markets, Cuba and Spain, and large amounts of it had had to remain at home for want of a market (something which, the consul notes, had the indirect positive effect of creating a few more cigar factories) and would remain at home "until more settled times find a new market."⁸⁷ Circumstances of course, were to prove differently.

b) Cotton

As with tobacco, cotton was another opportunistic crop, one that was always grown to some extent on the island, but which was only planted with any eagerness in response to sporadic increases in its price in the international market. Exports of Puerto Rican raw cotton were directed principally to Spain where they were absorbed by the textile industry of Catalonia, but some material also found its way to Great Britain, Germany and France. (See Table 41.) The apogee of cotton production in Puerto Rico was much more short-lived than that of tobacco and responded chiefly to the decrease in United States exports of raw cotton to Britain as a result of the United States Civil War.

The importance of cotton to the British economy was without parallel in the early nineteenth century. In the decades following the Napoleonic Wars, approximately 50 per cent of all British exports consisted of cotton

report on Puerto Rico for 1899, P.P. 1900, p. 333.

⁸⁷Churchward's report on Puerto Rico for 1899. P.P. 1900, p. 34.

manufactures, and at their very peak, in the middle of the 1830's, 20 per cent of the value of all net imports into Britain consisted of raw cotton.⁸⁸ The extraordinary expansion of the cotton textile industry made the price of the raw material increasingly important to British manufacturers. By 1820, it became clear that the southern states of the United States, with their efficient, expanding and highly mechanised slave plantations was the only region capable of coping with Lancashire's increasing demand.⁸⁹ By 1836, 80 per cent of all raw cotton imported into Britain, originated in the U.S.A.⁹⁰

Table 41. Destination of Exports of Raw Cotton from Puerto Rico, 1843-74 (in lbs.)

Period	Spain	Spain as % of Total	G.B.	G.B.as % of Total	Others	Others as % of Total
1843/44	376,201	85.6	16,547	3.8	46,987	10.7
1845/49	194,276	60.3	72,890	22.6	55,220	17.1
1850/54	211,516	75.9	28,127	10.1	39,113	14.0
1855/59	127,317	60.2	26,517	12.5	57,483	27.2
1860/64	75,904	21.6	175,834	50.1	99,005	28.2
1865/69	666,609	46.9	541,482	37.9	217,479	15.2
1870/74	255,822	42.7	234,231	39.1	109,182	18.2

Source: Sonesson, "Puerto Rico's Commerce", p. 269.

⁸⁸E.J. Hobsbawm, *Industry and Empire*. Second edition, Hamondsworth, Pelican Books, 1969, p. 69.

⁸⁹Peter Mathias, *The First Industrial Nation. An Economic History of Britain, 1700-1914*. Second edition. London, Methuen, p. 270.

⁹⁰*Ibid.*, p. 268.

The prodigious expansion of the United States' cotton production eliminated practically all potential competitors. By the 1820's, says Peter Mathias,

Egypt, India, the African Coast, the West Indies had all been swamped as sources of cotton by the plantations of the Carolinas and Georgia, and by the new boom era of the Mississippi Valley.⁹¹

It is not surprising, therefore, that in Puerto Rico, little attention was given to that crop until the 1860's. In 1858, Consul Hunt regretted that not more cotton was raised on the island pointing out the "want of a system observed in raising this important article".⁹² His dismay would seem to be due to the quality of the cotton grown on the island, which his successor, Cowper described on several occasions as extremely good and "second only to South Sea for its length of fibre and whiteness".⁹³ In Liverpool and London it fetched consistently higher prices than those offered for middling New Orleans: up to 2d. per lb. more in 1865 and on average 5d. more the following year.⁹⁴

The United States Civil War prompted a boom in Puerto Rico's cotton production. During the first two years of the war, production remained stable, well under 200,000 lbs. per annum; but by 1862, the consequences of the "cotton famine" were being felt in Britain. The price of raw cotton soared spurring the immediate planting of cotton in the island. Eagerness for quick

⁹¹*Ibid.*, p. 270.

⁹²Report by Mr. Hunt, British consul at Puerto Rico upon the Trade of that Island for 1857. P.P. 1859, Session 2 [2579] XXX.373.

⁹³Report by Mr. H.A. Cowper on the Trade and Commerce of Porto Rico for the Year 1866. P.P. 1867 [3938] [3939] LXVIII.95, p. 277 and Report by Mr. Consul Cowper on the Trade of Puerto Rico, etc., for the Year 1862. P.P. July 1862-63. 1863 [3229] LXX.1.

⁹⁴Report by Vice Consul [Leopold] Krüg on the Trade of Mayagüez for the Year 1865. P.P. 1866 [3654] LXX.163, p. 207 and Cowper's report on Puerto Rico for 1866. P.P. 1867, p. 562.

profit prompted carelessness, much to the disapproval of the British consul who in June 1862, felt compelled to remark:

It is said that cotton planted six months ago is now ready to be picked, which reveals both the aptitude of the soil and the ignorance of the planter, for the time for picking is certainly not the rainy season; indeed it is not only capital but instruction, that is needed to render the cotton-planting here successful.⁹⁵

But even careless profiteering proved rewarding and exports of cotton in 1864 were almost six times greater than those of the previous year and the vast majority of the production that year was exported to Britain instead of Spain. (See Table 41.) The following year, exports of cotton doubled, reaching a record breaking 2 million lbs. (See Table 42.)

The cotton boom in Puerto Rico was however, very short-lived, although in 1865 there are indications that several planters in Mayagüez were seriously considering its cultivation as a permanent crop. Vice-consul Krüg reports that year on the introduction of several "very good steam-gins --knife and saw", which were yielding favourable results.⁹⁶ But prices did not remain high and, after having almost tripled from their 1856 average of \$13.00 to \$35.00 per quintal in 1865, they quickly began to drop, stabilising at around \$17.00 in the early 1870's.⁹⁷ This was no longer in line with Krüg's estimate in 1865 of the need for the price to be at least \$20.00 per quintal to render it profitable to the

⁹⁵Cowper's report on Puerto Rico for 1862. P.P. July, 1862-63.

⁹⁶Krüg's report on Mayagüez for 1865. P.P. 1866, p. 207.

⁹⁷Hunt's report on Puerto Rico for 1856. P.P. 1855-57; Krüg's report on Mayagüez for 1865. P.P. 1866, p. 207 and Report by Vice-consul Gumbes on the Trade and Commerce of the Port of Mayagüez for the Year 1876. P.P. 1877 [C.1855] LXXXIII.3, p. 1522.

Table 42. Exports of Raw Cotton from Puerto Rico,
1846-78 (in tons)

Year	Tons		Year	Tons
1846	294		1863	172
1847	362		1864	982
1848	182		1865	2,001
1849	304		1866	1,301
1850	241		1867	1,085
1851	366		1868	841
1852	218		1869	1,727
1853	280		1870	824
1854	286		1871	940
1855	237		1872	653
1856	297		1873	268
1857	282		1874	229
1858	191		1875	281
1859	47		1876	131
1860	292		1877	44
1861	173		1878	29
1862	133			

Source: Balanzas mercantiles, 1846-78.

planter.⁹⁸ Difficulties in obtaining financing at moderate rates of interest were prevalent in all aspects of the economy at the time and cotton-planting was no exception. Profits were reduced by interest payments of up to 20 and 25 per cent. "At this rate," said Krüg, "the planter is nearly ruined if his crop only fails him

⁹⁸Krüg's report on Mayagüez for 1865. P.P. 1866, p. 207.

one year."⁹⁹ Unfortunately, crop failures were not long in coming. In the same report, Krüg mentions the fact that, through what he calls dearly paid experience, it was proved that the only cotton suitable for cultivation in the island was the so-called "country cotton" which grew on trees of five to six feet when clipped or eight or ten when un-clipped. Any varieties of shrub or ground cotton, such as New Orleans or South Sea cotton, tended to grow well and yield a considerable crop, but were rarely able to resist the eventual attack of worms.¹⁰⁰

This pest was to destroy any serious expectations of cotton-production in Puerto Rico. At the end of the United States Civil War, prices slowly began to return to normality. In 1866, Consul Cowper acknowledged the fact that cotton cultivation had received a fictitious and temporary importance during the war and that production was returning to normal, but admitted that part of this loss of enthusiasm was to do with the prevalence of the infamous worm which rendered the position of the crops precarious.¹⁰¹

After 1866, the lowering of prices combined with the effects of the worm to doom the future of cotton production in Puerto Rico to total extinction. In 1873, Consul Cowper described cotton as an expiring production and predicted that it would eventually be quite literally driven out of the field by the worm.¹⁰² Droughts in 1872 and 1875 in the western region of the island added the final blow. In 1875, Vice-consul Gumbes reports that no cotton was being raised in the district of Mayagüez due to the drought and to the low prices it was attaining in

⁹⁹*Loc. cit.*

¹⁰⁰*Loc. cit.*

¹⁰¹Cowper's report on Puerto Rico for 1866. P.P. 1867, p. 562.

¹⁰²Cowper's report on Puerto Rico for 1873. P.P. 1874, p. 885.

the market (about \$17.00 per quintal).¹⁰³ This is the last mention of cotton production made by an English agent. In 1878 the country exported only 29,123 lbs. of cotton and after 1879 it ceased to be mentioned amongst the island's important exports in the official customs returns.¹⁰⁴

c) Minor exports

In 1864, Acting-Consul Francis Cowper, reporting on the general agricultural state of the island, described it as being "very well cultivated... Wherever the traveller goes he sees fine-looking plantations of sugar, coffee, tobacco and rice"¹⁰⁵, all of which form the principal exports." He also reported oranges, papaws, pineapples, coconuts, palms and all other tropical fruits as growing in great abundance.¹⁰⁶

The variety of Puerto Rico's agricultural production was quite extensive, and many of the fruits mentioned by Cowper, together with hard woods, dye-woods, medicinal woods, cattle, hides, molasses and rums, all had a long export tradition.

Molasses were by-products of sugar production, the principal market of which was always the United States. However, a considerable amount was often shipped to the British provinces of North America (i.e. Canada) where it was used for the manufacture of rum and in exchange of

¹⁰³Report by Vice-consul Gumbes on the Trade and Commerce of Mayagüez for the year 1872. P.P. 1873 [C.828] LXV.1, p. 1059 and Gumbes' report on Mayagüez for 1876. P.P. 1877, p. 1519.

¹⁰⁴Balanzas mercantiles, 1878 and 1879.

¹⁰⁵The mention of rice as a major export crop appears to be a mistake. Puerto Rico had exported rice during the 1820's and 30's, but as of 1838, rising consumption made the island a net importer of rice. (See Sonesson, "Puerto Rico's Commerce...", pp. 394-395.)

¹⁰⁶Report by Mr. Acting Consul [Francis] Cowper on the Trade of Porto Rico for the Year 1864. P.P. 1866 [3582] LXIX.1, p. 639.

which the Canadians supplied Puerto Rico with fish (mainly cod) and lumber.¹⁰⁷ Puerto Rican molasses, according to Ponce's vice-consul Gibbons, appear to have fetched very high prices in British North America, and Canadian fish, on the other hand, was much preferred in the island to that of French or American (U.S.) curing.¹⁰⁸ Great Britain itself, however, purchased negligible amounts of Puerto Rican molasses throughout the century. Molasses was a high bulk, low value product and its exportation to Europe was hardly worth while unless prices were high. Regular shipments to Great Britain began in 1846 with unusually large quantities being shipped there in 1847, 1849 and 1867.¹⁰⁹ (See Table 43.)

The importance of molasses as an export item tended to decline as a whole throughout the nineteenth century.¹¹⁰ (See Table 44.) Large quantities of molasses were retained in Puerto Rico for the manufacture of cane spirit (*aguardiente*) and bay rum, and as the century advanced, this proportion grew larger. In 1878, Agent Koppisch in Aguadilla reported that the district had exported none of its molasses at all.¹¹¹ In 1889, Acting-Consul Latimer reported that molasses were being consumed to a greater extent than formerly for the

¹⁰⁷*Loc. cit.*

¹⁰⁸Report by Vice-consul Gibbons on the Trade, commerce and Agriculture of Ponce for the Year 1876. P.P. 1877 [C.1855] LXXXIII.3, p. 1527 and P.R.O. F.O.72/683. Lindegren to Aberdeen, 14 January, 1845.

¹⁰⁹Sonesson, "Puerto Rico's Commerce...", pp. 253-254.

¹¹⁰This is difficult to determine with certainty as, up to 1881, exports of molasses were given in units of volume (gallons, hogsheads or puncheons) while, after 1882, they were recorded in units of weight (tons). I have not been able to determine the relation between weight and volume but the tendency does appear to be one of decline, especially towards the end of the century, and reports by the consuls would appear to confirm this.

¹¹¹Report by Consular Agent Koppisch on the Trade and Commerce of Aguadilla for the Year 1878. P.P. 1878-79 [C.2421] LXXII.1, p. 1658.

Table 43. Destination of Exports of Puerto Rican Molasses, 1843-74
(in 000's of gallons)

Period	U.S.	U.S. as % of Total	Canada	Canada as % of Total	G.B.	G.B. as % of Total	Others	Others as% of Total	Total
1843/44	2,355	88.1	299	11.2	11	0.4	7	0.3	2,672
1845/49	2,777	69.9	323	8.1	847	21.3	27	0.7	3,974
1850/54	3,627	79.5	343	7.5	549	12.0	45	1.0	4,564
1855/59	3,029	82.0	372	10.1	240	6.5	50	1.4	3,692
1860/64	3,395	77.9	367	8.4	332	7.6	265	6.1	4,356
1865/69	3,601	70.8	366	7.2	942	18.5	178	3.5	5,088
1870/74	5,687	91.1	273	4.4	237	3.8	45	0.7	6,243

Source: Balanzas mercantiles, 1843-74. From Sonesson, "Puerto Rico's Commerce", p. 254.

Table 44. Exports of Molasses from Puerto Rico, 1846-81
(in hogsheads) and 1883-97 (in tons)

Year	Hogsheads		Year	Hogsheads
1846	31,310		1872	53,066
1847	40,745		1873	46,640
1848	35,158		1874	48,826
1849	39,346		1875	53,359
1850	46,718		1876	62,218
1851	45,977		1877	35,016
1852	31,980		1878	39,705
1853	46,631		1880	30,391
1854	38308		1881	34,928
1855	33,717			
1856	41,742			<i>Tons</i>
1857	27,457		1883	30,864
1858	35,391		1884	33,437
1859	29,506		1885	30,646
1860	43,446		1886	20,686
1861	40,496		1887	29,112
1862	31,851		1888	21,102
1863	48,476		1889	20,703
1864	33,801		1890	16,721
1865	42,146		1891	12,369
1866	43,134		1892	19,124
1867	43,998		1893	10,189
1868	46,620		1894	7,238
1869	55,353		1895	14,154
1870	66,549		1896	14,740
1871	68,671		1897	12,894

Sources: For 1846-94: Balanzas mercantiles, 1846-94; for 1895 and 1896, P.P. 1897 [C.8277] XCIII.1; for 1897: P.P. 1900 [Cd.1] [Cd.352] XCVII.1.

manufacture of rum in the island,¹¹² accounting for the decrease in its export, and Consul Crawford blamed its low export figure in 1894 on the fact that less muscovado was being produced and that large amounts of the molasses were being made into rum and spirits for local consumption.¹¹³

These spirits were also a source of income for the island, selling at an average price of approximately \$45.00 per pipe¹¹⁴ in the late 1850's when they were at their peak.¹¹⁵ (See Table 45.) At this time, customers of Puerto Rican rum were quite varied and included Britain who purchased the greater proportion of these exports in 1859.

The manufacture of spirits for export, however, declined in the 1870's. Prices were indeed lower (averaging \$25.00 per puncheon between 1868 and 1878) but it appears that the main reason for the decline in its exportation was the increase in its local consumption. In Mayagüez, in 1875, Vice-consul Gumbes reports that, not only was none of the district's rum exported, but some actually had to be *imported* from Cuba to meet local demand.¹¹⁶ Some rum continued to be exported in decreasing quantities to Spain, St. Thomas, Cuba, British North America and the United States, but, after 1878, it was taken off the list of Puerto Rico's main exports in the official customs records.

¹¹²Latimer's report on Puerto Rico for 1889. P.P. 1890-91, p. 802.

¹¹³Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 576.

¹¹⁴The "pipe" here is presumably equal to a puncheon, or 110 gals. which is the unit used consistently throughout the century to measure rum exports, with this exception.

¹¹⁵Hunt's report on Puerto Rico for 1857. P.P. 1858-59.

¹¹⁶Gumbes' report on Mayagüez for 1876. P.P. 1877, p. 1519.

Table 45. Exports of Cane Spirits from Puerto Rico,
1846-78 (in hogsheads of 110 gallons)

Year	Hogsheads		Year	Hogsheads
1846	653		1863	1,191
1847	538		1864	86
1848	984		1865	463
1849	1,242		1866	255
1850	573		1867	219
1851	348		1868	48
1852	114		1869	189
1853	684		1870	70
1854	3,162		1871	170
1855	4,100		1872	109
1856	2,770		1873	229
1857	1,481		1874	118
1858	2,560		1875	118
1859	1,353		1876	62
1860	1,254		1877	124
1861	2,729		1878	421
1862	1,818			

Source: Balanzas mercantiles, 1846-78.

Native fruits constituted another of the island's exports, one which furthermore was often praised by the British consuls, especially oranges, which were described by Consul Stevens as better than the Spanish and Mediterranean oranges in size, quality and flavour. He marvelled at the cheapness of their price, even at the end of the season, in July, when "a large sized good

orange newly picked can be had for a halfpenny."¹¹⁷ Obviously, the great distances involved in transportation, even in the 1880's when steam power had long since overtaken sailing, meant that British purchases of Puerto Rican fruit were quite out of the question. Almost all of the fruit produced for export in the island was sent to the United States, especially that of the district of Mayagüez which developed an active trade with the United States in oranges and coconuts during the 1870's.¹¹⁸

Exports of cattle, like those of fruit, were limited by distance and took place mainly from the eastern districts of the island, especially Naguabo, where they were shipped mainly to the British and French West Indies and some even to Cuba. Their meat had been highly praised in the Antilles from the days of illegal commerce and as late as 1894, large breeding establishments were reported to exist throughout the island where the beasts fattened easily on the "rich extensive grass plains and valleys", their meat still being celebrated throughout the West Indies.¹¹⁹

A by-product of cattle-breeding was the export of hides which, although modest, appeared constantly in the list of exports in the customs returns. The skins were described as "often very large and thick" by Consul Vecqueray, all dried and unsalted¹²⁰, and mainly directed to the Spanish market, although Germany, France, the United States, and very infrequently, Britain, sometimes purchased a small proportion of these exports. Another by-product of cattle-breeding, tallow, was of a much less

¹¹⁷Stevens' report on Puerto Rico for 1882. P.P. 1884, p. 134.

¹¹⁸Report by Mr. Consul Cowper on the Trade and Commerce of the Island of Porto Rico for the Year 1869. P.P. 1869-70, 1870 [C.115] LXIV.233, p. 376 and Gumbes' report on Mayagüez for 1872. P.P. 1873, p. 1059.

¹¹⁹Vecqueray's report on Puerto Rico for 1894. P.P. 1895, p. 713.

¹²⁰*Loc. cit.*

important nature.

Besides the articles mentioned above, the island also developed, in the late 1880's, a trade in salt from the salt mines of Cabo Rojo, most of which was sent to the United States, Cuba and the British West Indies; and in the 1890's, one in guano, the vast majority of which was shipped to England.

During the nineteenth century, Puerto Rico experienced an unhindered increase in its export trade. (See Figure 3, p. 166.) This trade was centred around two products, sugar and coffee. Sugar dominated the scene until the 1870's when coffee began to take over as the island's main export. This change in the nature of Puerto Rico's trade resulted in a shift of customers. Until the 1870's, most of Puerto Rico's export business had been conducted with the United States and, after 1846, with Great Britain. In the 1880's, as coffee took over the role of main export, sales to Spain and Cuba took on a paramount importance. (See Figure 4, p. 167.)

Britain's role as a customer for Puerto Rico, therefore went through several phases during the nineteenth century. During the early stages of Puerto Rico's legal trade, direct commerce with Britain did not amount to much. In 1840, it stood at a mere 5 per cent of the total, compared to the United States' and Spain's 27 per cent each. (See Figure 5, p. 168.) The situation began to improve towards the middle of the decade, as can be inferred by the inauguration of the British consulate in San Juan in 1844. By 1847, the year after the introduction in Britain of the tariff reforms allowing the importation of foreign slave-grown unrefined sugar for home-consumption, the trade had picked up significantly. (See Figure 6, p. 169.)

There is no doubt, however, that at this stage the

United States were still the island's main customer. Their importance continued to grow throughout the 1850's and while Britain was buying on average about one fifth of the island's exports, the United States was purchasing almost one half. At the same time, Spain's interest in the colony's exports decreased, with its proportion of the trade averaging a mere 6.9 per cent for the decade. (See Figure 7, p. 170.)

This pattern was interrupted during the United States Civil War (1861-65) when Britain took over the role of Puerto Rico's main customer. Exports to Britain amounted to well over a third of the total, compensating for the drop in United States purchases. (See Figure 8, p. 171.) Upon the conclusion of the conflict, however, the situation was reversed as demand and prices for sugar rose to above average levels in the United States.

The 1870's marked a transition period in the history of the island's export trade. As the sugar industry entered a stage of crisis, production actually rose as the planters who remained in business made efforts to compensate for the low prices with greater output. During the first half of the decade, the United States retained its privileged position accounting for about one half of all purchases, though in 1871, for example, the proportion was as high as 62.7 per cent. Britain's interest in cane sugar was by now steadily declining in response to the availability of cheap continental beet sugar. During the decade, Britain was still responsible for about one fifth of Puerto Rico's export trade, and in 1878, a year of exceptionally high yields, approximately 25 per cent of the island's produce was sent to British ports. That same year, however, another 25 per cent of Puerto Rico's exports were purchased by Cuba and Spain, an indication of the importance which coffee cultivation was acquiring in the island.

With the development on a large scale of coffee production in Puerto Rico, both the United States and

Britain receded in importance as customers for the island. The United States did import some Puerto Rican coffee and to an even lesser extent, so did Britain, but their interest in coffee did not match their previous interest in sugar. In the 1880's and 90's, Puerto Rico found its best customers in Spain and Cuba. During the 1890's, together they were responsible for a good half of the value of all exports. Other important markets for the island's coffee were Germany, France and Italy.

In 1897, the year before United States occupation, the export trade of Puerto Rico was divided into the following proportions: Spain and Cuba accounted for almost one half of the island's exports; the United States' proportion had been reduced to only 14 per cent; and British purchases had sunk to a trifling .4 per cent of all Puerto Rican exports. (See Figure 9, p. 172.)

Britain's role as a customer for Puerto Rico during the nineteenth century rose, from total insignificance to become the island's second most important client between the mid forties and the mid to late seventies. In terms of volume, it reached its peak in 1878 when 3.3 million pesos of produce were exported to Great Britain; but in terms of significance, it was during the United States Civil War that British custom proved most crucial to the island. The century ended, however, with Britain's return to insignificance as a customer for Puerto Rico. (See Figure 10, p. 173.)

Fig.2. Foreign Unrefined Sugar Retained
for Home Consumption in the UK, 1846-66

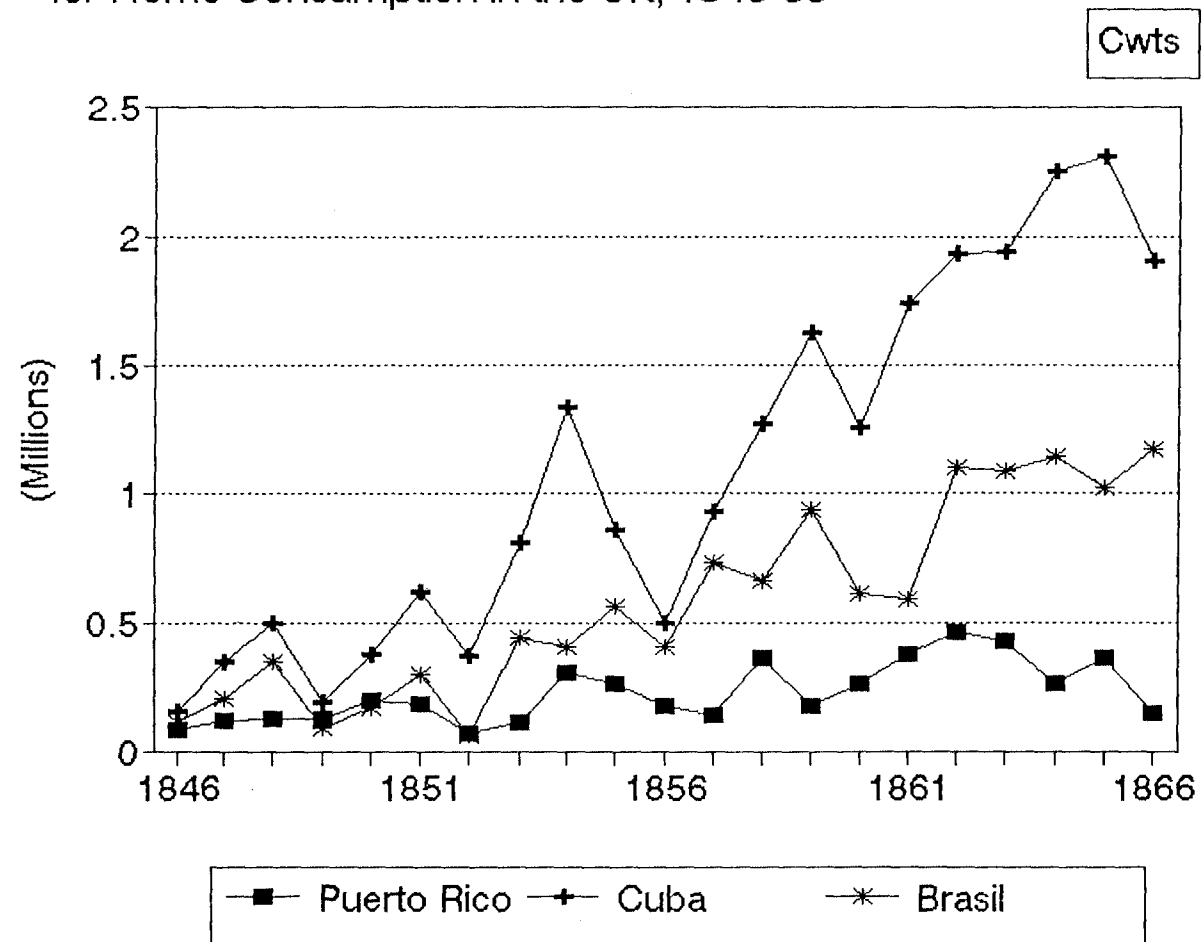


Fig. 3. Puerto Rican Exports, 1840-97
(in millions of pesos)

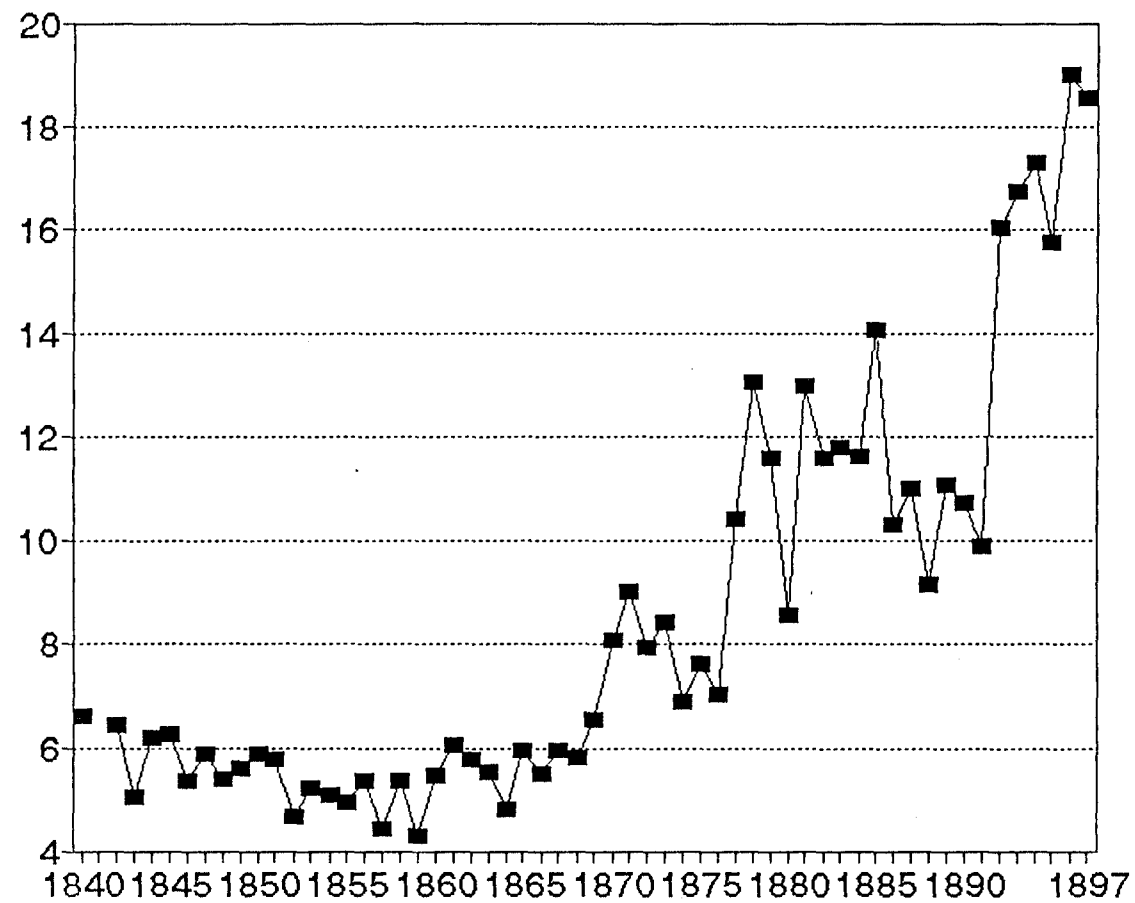


Fig. 4. Puerto Rican Exports to G.B.,
U.S., and Spain & Cuba, 1840-97 (000's of pesos)

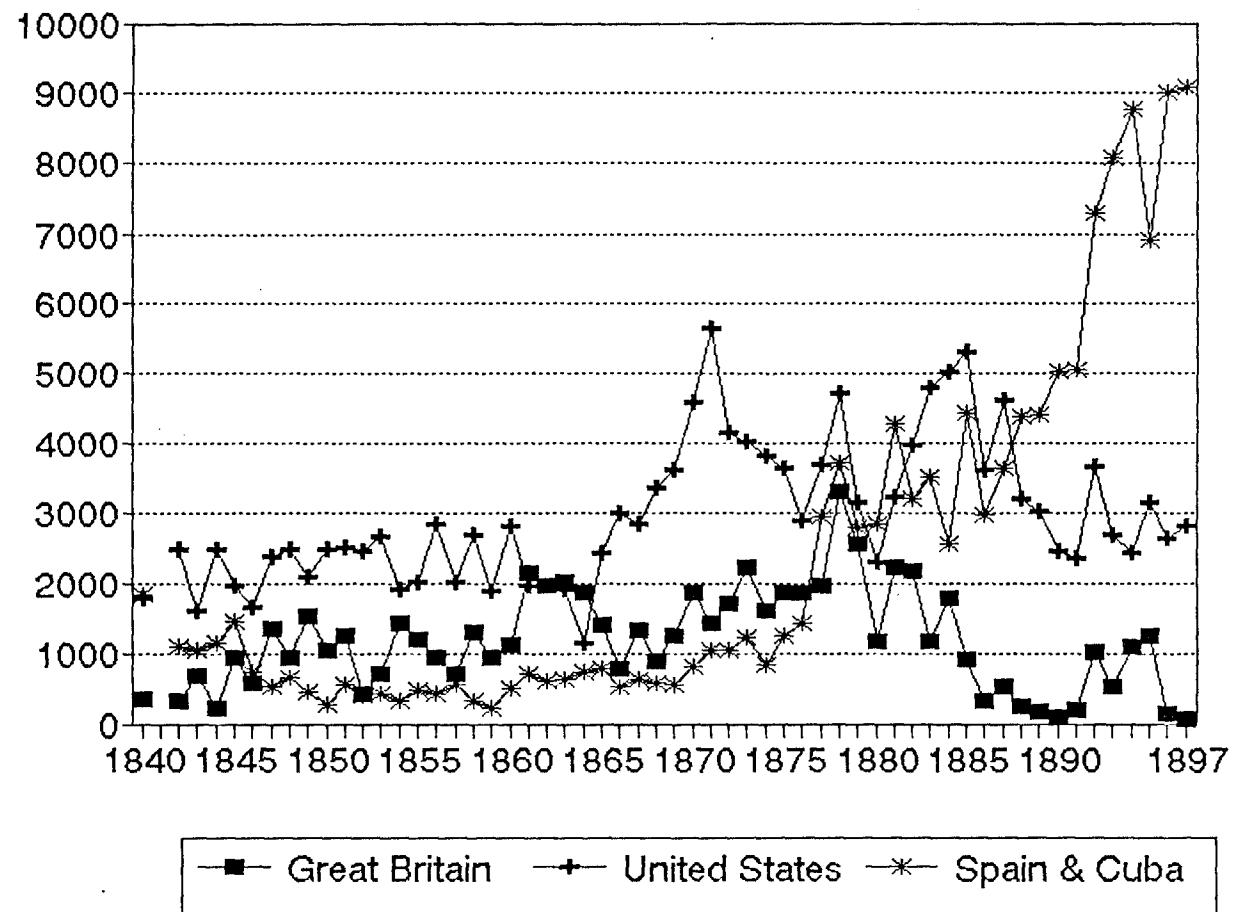


Fig. 5. Exports from Puerto Rico, 1840

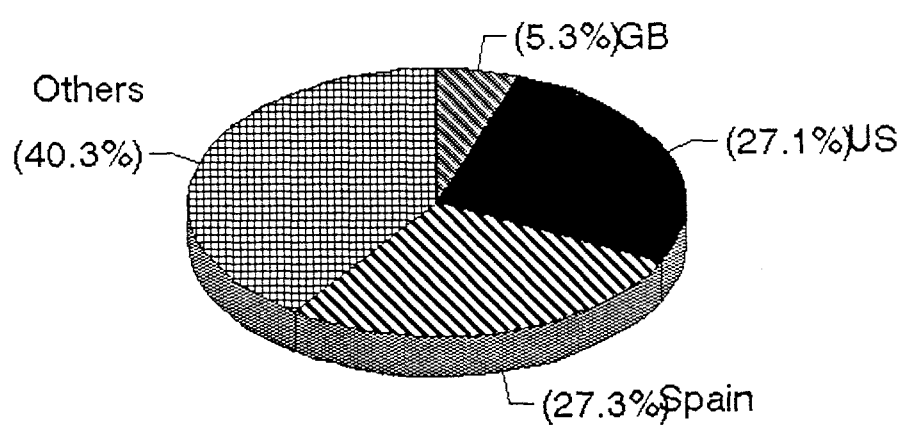


Fig. 6. Exports from Puerto Rico, 1847

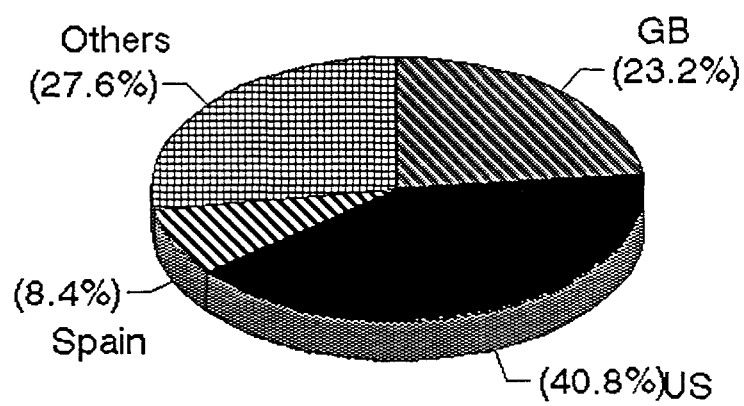


Fig. 7. Exports from Puerto Rico,
1850's

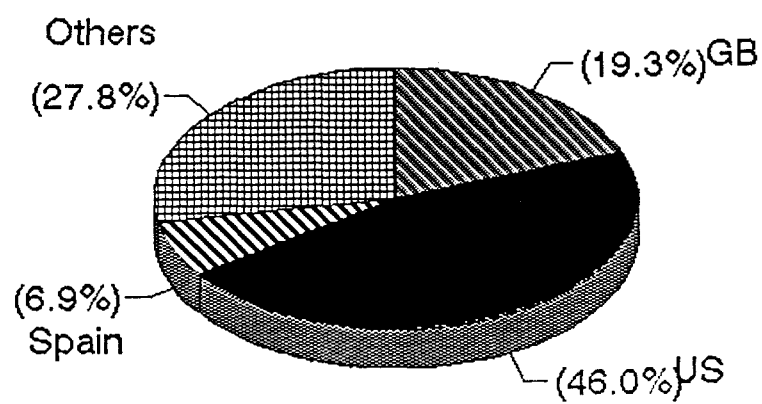


Fig. 8. Exports from Puerto Rico during
the US Civil War (1861-65)

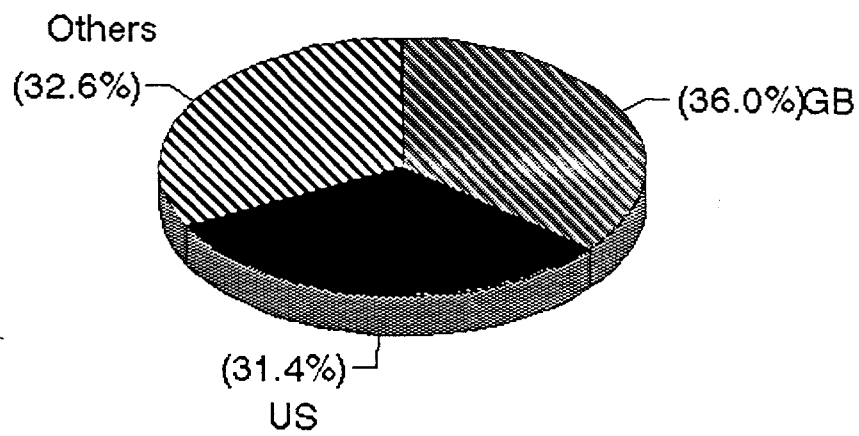


Fig. 9. Exports from Puerto Rico, 1897

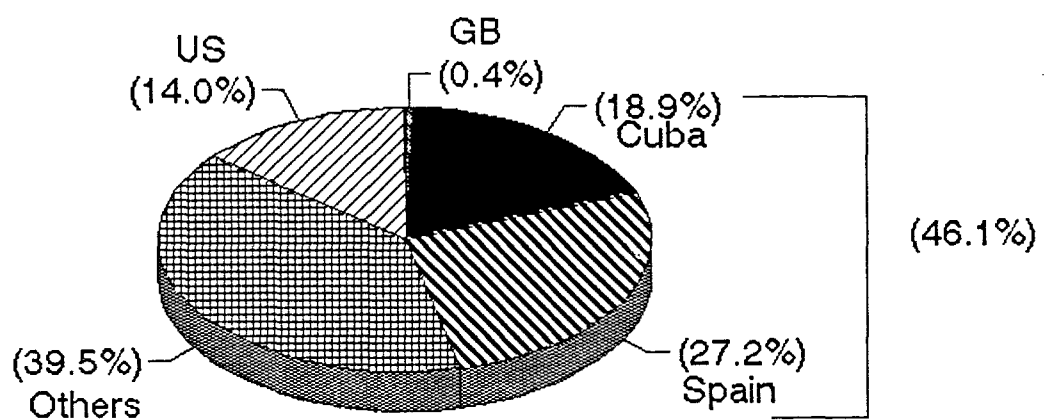
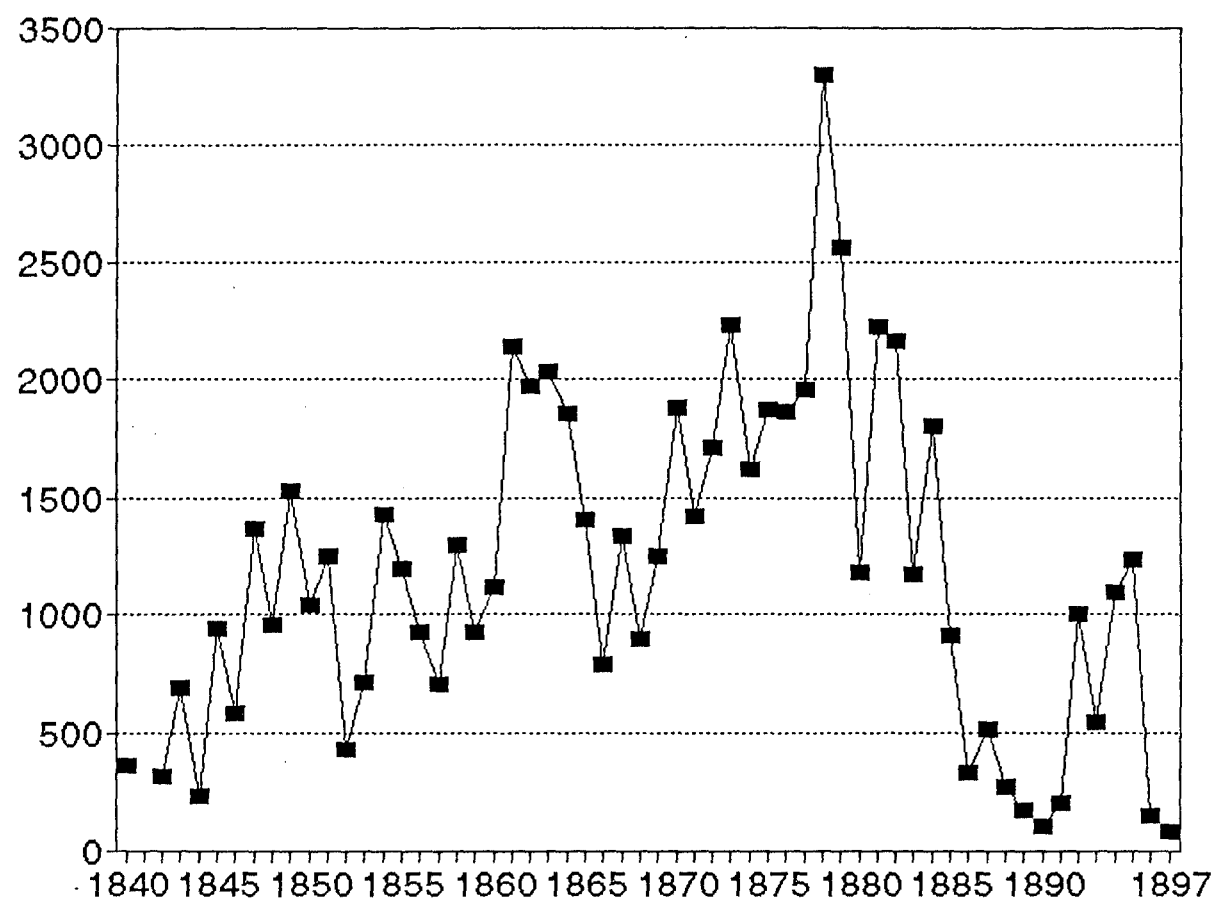


Fig. 10. Puerto Rican Exports to G.B.
1840-97 (000's of pesos)



CHAPTER 2. BRITISH IMPORTS INTO PUERTO RICO

The development of Puerto Rico's sugar industry during the nineteenth century brought in its wake a general increase in the country's potential as a consumer. Population grew, naturally, through voluntary immigration, and as a result of the importation of slaves which took place in the early decades of the nineteenth century. This population, which stood at around 400,000 in the 1840's had more than doubled by the end of the century. The possibilities afforded by the island's active participation in the world's market for sugar, and later for coffee, also meant increased wealth for the owning classes and a greater availability of jobs for the working population. Total imports, which had averaged 5 million pesos per year in the 1850's, rose to an average of almost 18 million in the last decade of the century. (See Figure 11, p. 209.)

Relying heavily on a handful of tropical exports for its subsistence, Puerto Rico presented itself as a potential market for almost everything else. Although certain subsistence crops and beef were consistently produced in sufficient quantities to meet local demand, the island's capabilities to feed a growing population were limited with so much of the efforts of its agricultural sector placed on export crops. It's manufacturing sector was practically non-existent, save for a few tobacco factories which developed in the second half of the century. Nor did the island possess any kind of mining industry from where it could have obtained metals or fuel. Foreign exporters, therefore, found in

Puerto Rico a very favourable scenario indeed which was further enhanced by the island's geographic accessibility and the concentration of a large population within a limited area.

Within this framework, Britain established itself comfortably as a supplier of growing importance for the island. The presence of Saint Thomas as an intermediary in Puerto Rico's import trade with Europe before 1857 makes it difficult to ascertain with precision the volume of the island's imports from Britain up to that date, as the official statistics classified all trade with the Danish island under the generic title of "Foreign West Indies" and no details are offered as to the actual origin of the products imported. However, it is almost certain that the number of British imports arriving via Saint Thomas was considerable at the time, as after the 1857 amendment to the island's tariff which was designed to encourage direct imports, those of British origin rose immediately from a mere 4.7 per cent of the total in 1856, to 7 per cent in 1857, and then up again to 11 per cent in 1858. As the importance of Saint Thomas dwindled, towards the end of the decade, the percentage of imports registered as "English" grew in almost equal proportion to the decrease evinced in those articles classified under the heading of "Foreign West Indies". (See Figure 12, p. 210.)

Nevertheless, even while the island was still enduring the influence of Saint Thomas, the variety of articles imported from Britain into Puerto Rico was truly astounding. In the 1850's alone, over 400 different items of British origin entered the island in varying quantities. But, although there were few categories of imports which did not see the word *Inglaterra* listed under the column labelled "origin" at some point during the century, Britain consistently took the lead in several key items, such as rice, textiles, machinery, iron and coal before 1898. Its participation in Puerto

Rico's import trade was at least equal to that of Spain and the United States, Spanish imports consisting mainly of provisions and textiles, and the United States limiting its sales mainly to provisions alone. In the late 1870's and during the whole of the 80's, Britain had established itself as Puerto Rico's main supplier of imports. This pattern began to change in the last few years of the 1880's as large amounts of heavily protected Spanish textiles of increasingly better quality gained a lead on the British products. Depreciation of the local currency which raised the price of all foreign imports considerably, and the ability of the United States to impose preferential terms of trade on the Spanish colonies during the 1890's presented further disadvantages to British imports in the island. Nevertheless, the importance of Britain as a supplier to Puerto Rico during the nineteenth century as a whole is certainly undisputable.

1. Provisions

Great Britain's contribution to the Puerto Rican diet was modest but not insignificant. In any case, Britain was never a great exporter of foodstuffs, with the exception of beer and spirits, which reached a total value of £2,029,000 in 1854-46, influenced by Australian demand.¹ British beer, it would seem was quite well-liked in Puerto Rico during the whole of the nineteenth century, although German beer was more popular.

Codfish was a very important item of the Puerto Rican diet. It was part of the main diet of slaves before abolition from where it gradually found its way to the tables of all Puerto Ricans regardless of social status. Until the late 1840's most of Puerto Rico's

¹Ralph Davis, *The Industrial Revolution...*, p. 30.

imports of fish came from the New England states of the United States, but in the late 1840's, large supplies of cod from the British North American colonies began to enter the island in increasing quantities. According to Birgit Sonesson, per capita consumption of fish rose from 25.8 lbs. in 1846 to 31.6 lbs. in 1860, spurred by larger supplies from this source.² By the 1850's, Canadian cod predominated in the Puerto Rican market and this remained the case until the mid 1890's although certain amounts of North Sea cod reached Puerto Rico directly from Great Britain.

In supplying the island with rice, however, Britain played a crucial role. Rice, of course, was not a British product, but British re-exports of Indian rice provided the island with the bulk of its most important staple food during the second half of the century. In the 1820's and 30's, Puerto Rico had been an exporter of rice, but around 1838, rising consumption made the island an importer. The amount of imported rice consumed by the population rose in the 1840's and 50's. Spain was able to supply part of this demand mainly through re-exports of Philippine produce. From 1846 to 1860, Spanish rice accounted for between 20 and 30 per cent of all rice imports in Puerto Rico. After 1852, there were increased shipments from the United States, but after 1856, oriental rice took the lead.³ This rice was imported mainly via Hamburg and Britain although British rice tended to predominate until the last years of the century.

In 1859, when the commercial control that St. Thomas held over Puerto Rican imports of European goods had decreased enough to give credibility to the quantities reported in the official returns, Puerto Rico imported

²Sonesson, "Puerto Rico's Commerce...", pp. 396-400.

³*Ibid.*, pp. 394-395.

102,097 lbs. of rice via Britain.⁴ In 1886, this figure surpassed 20 million lbs.⁵ In the late 1880's and the 1890's, however, Britain began to face serious competition with Germany in the rice trade. In 1887, Consul Hertslet reported that Britain was losing ground to the Germans in this important trade. The reason, he believed, was that German steamships could offer cheaper transportation costs and their exporters a longer credit system to buyers than their British counterparts.⁶ Nevertheless, imports of British rice continued to figure in either the first or second place until the very end of the century, and Consul Crawford could not help commenting in 1896 that most of the "German" rice came originally from British India.⁷

British pork and hams were being imported in significant quantities in the 1850's but by the end of the century, the trade in these articles as well as that in lard, shifted almost completely to United States dealers. Jerked beef which, like cod, started out as an important part of the slaves' diet and eventually became part of the national diet, was imported mainly from what is now Argentina and Uruguay, although some imports registered as English, and a minute quantity from the United States appear in the customs returns throughout the century.

Spain provided most of the island's olive oil, as is to be expected, although some quantities exported through Britain were also registered.

Britain (together with Spain, the United States, Germany and France) was also partly responsible for

⁴Balanza mercantil, 1859.

⁵Herstlet's report on Puerto Rico for 1886. P.P. 1888, pp. 374-375.

⁶Report for the Year 1887 on the Trade of Porto Rico by Consul Reginald Hertslet. P.P. 1888 [C.5252] CIII.1, p. 96.

⁷Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 579.

supplying the island with canned goods, preserved fruits, sweets, biscuits, butter, and even vegetables, although Spain or the United States more often than not took the lead. In the importation of cheese, Britain faced the added competition of Holland, whose cheese, to date, is still very popular in Puerto Rico.

2. Manufactures

a) Textiles

It seems hardly necessary to mention the importance of the textile industry to the British economy during the nineteenth century. Exports of cotton manufactures, which had been almost negligible in 1770, were responsible for almost 50 per cent of all exports by the middle of the nineteenth century.⁸ The dramatic growth of this industry was made possible by technological advances in the 1770's and 80's (carding and spinning) and the 1820's (weaving). This allowed for the production of a wide variety of cotton textiles, from cheap fabrics to fine muslins, which could appeal to almost all income groups and tastes.

The yardage of fabrics worn or hung or wrapped on persons and in homes was multiplied many times within a few decades after the first cottons made with machine-spun yarn were produced in the 1770's. For a long time, demand seemed insatiable, and until the 1820's, Britain was almost a monopolist supplier.⁹

Mechanisation meant decreasing costs of production which, combined with colonial demand from what were to

⁸Davis, *The Industrial Revolution...*, p. 579.

⁹*Loc. cit.*

become the United States (with their ever increasing population and income) added a further boost to the industry. Linen soon followed the path of cotton. The woollen industry, although slower than cotton in its technological progress, also increased its output dramatically during the nineteenth century. (See Table 46).

It was not long before other European countries began to develop their own textile trades imposing protective tariffs that pretty much drove British manufactured finished goods out of their local markets. The development of a textile trade in New England and the 1812-14 war between Great Britain and the United States affected that important outlet for British goods. Britain was soon forced to seek new markets for its textiles and the creation of the independent Latin American Republics seemed, for a while, the perfect alternative. In many cases, however, local manufactures proved a difficult competition to overcome as did the extremely low purchasing power of the vast majority of the population in these countries. In Puerto Rico and Cuba the situation was rather different. When both of these islands officially opened their ports to foreign commerce, Britain found them completely devoid of any kind of manufacturing industry (with the possible exception of Cuba's cigar factory) and enjoying the newfound wealth of the sugar-boom era. They became ready and accessible markets for every manner of British textile manufacture.

Table 46. Values of Exports of Textiles from Great Britain, 1800-25, and the United Kingdom, 1830-1900, at Five-Yearly Intervals (in £000's)

Year	Cotton Yarn & Manufactures	Woollen & Worsted Yarn & Manufactures	Linen Yarn & Manufactures	Silk Yarn & Manufactures
1800	5,851	6,918	808	297
1805	9,653	6,006	657	200
1810	19,109	5,774	1,018	190
1815	22,555	7,480	1,543	219
1820	22,532	4,364	1,935	118
1825	29,495	5,929	2,710	151
1830	19,400	4,900	2,100	500
1835	22,100	7,200	3,200	1,000
1840	24,700	5,800	4,100	800
1845	26,100	8,800	4,100	800
1850	28,300	10,000	4,800	1,300
1855	34,800	9,700	5,100	1,500
1860	52,000	25,700	6,600	2,400
1865	57,300	25,300	11,700	2,200
1870	71,400	26,700	9,500	2,600
1875	71,800	26,800	9,100	2,600
1880	75,600	20,600	6,800	2,700
1885	67,000	23,200	5,900	2,300
1890	74,400	24,500	6,600	2,700
1895	63,700	25,100	6,300	1,700
1900	69,800	20,200	6,200	2,100

Source: Mitchell and Dean, *op. cit.*, pp. 293-295 and 302-305. Figures for 1800-25 correspond to official values; those for 1830-1900 are values at current prices.

Britain would have doubtless dominated the Puerto Rican textile market throughout the nineteenth century had it not been for Spain's interest in protecting its own textile industry which began to develop in Catalonia in the 1860's. To this effect, a tariff policy favourable to Spanish textiles was drawn admitting these duty free and thus compensating for higher prices. But as late as 1878, Consul Bidwell mentions Britain as still dominating the market for textiles in Puerto Rico, followed, not by Spain, but by France and the United States, its lead being almost certainly quite a long one.¹⁰

In 1881, imports of British textiles suffered a setback from a change in the island's tariff rates which amounted to an even greater protection for Spanish textiles. Acting-consul Gibbons sent the Foreign Office the following examples of how the new rates were to affect certain English imports:

	<u>Old duties</u>	<u>New duties</u>
Linen drills	\$14.90	\$24.15
Cotton drills	17.62	27.91
Low cotton drills	15.60	23.88
Low linen drills	10.24	25.05
Domestics	11.34	20.17
Shirtings	29.10	57.48
Ladies boots	38.52	52.01
Ordinary cloth	26.54	24.16
Printed muslins	46.18	36.03
Thread	12.84	8.01
Coleta	11.56	15.60
Prints	36.17	31.02

As Gibbons' list indicated, although the duties on some of the articles had been reduced, these had been

¹⁰Bidwell's report on Puerto Rico for 1878. P.P. 1878-79 [C.2421] LXXII.1, p. 1633.

more than offset by the increases.¹¹

But an increase in tariff rates was not the only obstacle that confronted British textiles in Puerto Rico. Depreciation of the island's currency which began in the late 1880's pushed up the prices of foreign imports to the consumer thus placing British manufacturers at an even greater disadvantage to their Spanish counterparts.

In the late 1880's, Spain finally overtook Britain in sales of cotton textiles to Puerto Rico and managed to retain the first place until 1898, although followed very closely by Britain. The quality of British cotton textiles, according to Consul Hertslet, generally continued to be better than that of Spanish goods. The major attraction of the Spanish textiles to the majority of the population was not their quality but their price, but high quality cotton manufactures from Spain were still, it would seem, either more expensive or not significantly cheaper than those of British make. This is the reason why British cotton textiles continued to be so popular in Puerto Rico until the United States occupation. As late as 1894, during the so-called "Tariff War" when United States pressure on Spain for preferential treatment in Cuba and, therefore, Puerto Rico, was at its peak, Britain still figured prominently amongst the island's textiles suppliers, its only real competitor being Spain in cottons. The United States proportion of this trade was very modest. (See Table 47.)

¹¹P.R.O., F.O. 72/1608. Gibbons to Granville, 22 June, 1881. Gibbons neglects to mention the units (weights or measures) to which these rates applied, but in accordance to the format of Puerto Rico's official returns at the time, it seems safe to assume it was metric tons.

Table 47. Puerto Rican Imports of Textile Manufactures,
1894 (in tons)

Country of Origin	Cottons	Woollens	Jute, Flax and Hemp
Great Britain	905	36	627
Spain	1,521	30	197
France	25.5	9	6.5
United States	16	7	88
Other Countries	15	1	113

Source: P.P. 1897 [C.8277] XCIII.1, pp. 578-579.

In Puerto Rico, purchases of woollen manufactures were always smaller than those of cottons, the climate affording the obvious reason. Even so, the trade was not insignificant and, according to Davis, the total exports of British woollens were sustained until after the middle of the century, in spite of the development of European competition in the lower Rhineland, Saxony, Wurttemberg and France, by demand from Spain and Portugal, much of it for their American colonies. After 1824, of course, this meant but three countries: Brazil, Cuba and Puerto Rico.¹²

In terms of exports of linen to Latin America, according to Platt, Britain's superiority was largely unchallenged throughout the century, and the Puerto Rican experience was not an exception to this rule. This was also the case with jute. Although in some countries, such as Brazil, the development of a national industry

¹²Davis, *The Industrial Revolution...*, p. 21.

for the manufacture of sacks for sugar and coffee represented competition for the British manufacturers, in Puerto Rico no such industry developed and the island continued to buy the majority of its sacks from Britain.

Silk manufactures were never a strong point for Britain, except in the home market where they enjoyed protective barriers. These were nevertheless removed in 1860 with adverse effects for the British silk industry. Consequently, British exports of silk to Puerto Rico (or anywhere else) were never significant, Spain and France being the island's main suppliers of these goods.¹³

b) Metal manufactures

Throughout the nineteenth century, the largest group of British exports after textiles was that of metals and their manufactures. Until far into the century, the metal industry was conducted on a craftsman level. A succession of small improvements did take place and its export trade expanded although not at an impressive rate. In the late eighteenth and early nineteenth century, most of the metalware output consisted of small items for household, workshop or farm use, military purposes or ornaments, but after the Napoleonic wars, most of the industry's expansion was due to new branches of metal products: machinery and steam engines (which were proportionally of less importance) and refined metals and semi-finished goods. While exports of small manufactures of the old kind doubled between 1814-16 and 1854-56, those of the new kind rose eight times. This rise in exports was itself the consequence of a heavy fall in costs of production due to various innovations in the

¹³Platt, *op. cit.*, pp. 192-196.

manufacturing process.¹⁴ (See Table 48.)

Until the last couple of decades of the nineteenth century, Britain was virtually unchallenged as the world's leading exporter of metals, particularly of iron and steel. This was the case in Puerto Rico until well into the 1880's. In 1887, Consul Hertslet reports:

Great Britain has the virtual monopoly of the trade in metals, her imports this year (1886) reaching the high figure of 2,304 tons, out of a total of 2,871 tons...¹⁵

These imports consisted mainly of forged iron plates, axles, tires, hoops, carriage springs, steel in bars, wire, nails, screws, tubes and hardware (machinery and rails being classed under "other articles").¹⁶

Towards the end of the nineteenth century, Britain's world lead as an exporter of metals, was seriously challenged by competition from Europe and the United States, with participants in the contest for world markets often resorting to what Platt has labelled "unethical means", such as selling export material cheaper than at home to secure sales abroad.¹⁷ Already in the 1880's, a few agreements began to take place, first with the Germans (1881), then with the Belgians (1884) and finally with the United States and France (1904) dividing the world markets amongst themselves.¹⁸

¹⁴Davis, *The Industrial Revolution...*, p. 21.

¹⁵Hertslet's report on Puerto Rico for 1886. P.P. 1888, p. 374.

¹⁶Hertslet's report on Puerto Rico for 1887. P.P. 1888, p. 174.

¹⁷Platt, *op. cit.*, pp. 222-229.

¹⁸*Loc. cit.*

Table 48. Value of Exports of Metals from the United Kingdom at Five-Yearly Intervals, 1830-1900 (in millions of £'s)

Year	Iron & Steel	Hardware & Cutlery	Non-ferrous Metals & Manufactures
1830	1.1	1.4	1.3
1835	1.6	1.8	1.7
1840	2.9	1.6	1.8
1845	4.1	2.5	2.0
1850	6.2	2.9	2.5
1855	10.7	3.4	2.8
1860	13.6	4.3	4.0
1865	15.4	4.1	4.3
1870	23.5	4.1	4.8
1875	25.6	4.7	5.1
1880	27.2	3.9	4.8
1885	21.4	3.7	4.9
1890	31.1	4.1	7.2
1895	19.4	3.1	4.7
1900	31.6	3.6	6.0

Source: Mitchell and Dean, *op. cit.*, pp. 302-305.

It would be reasonable to expect Puerto Rico to have gradually drifted towards the United States for its supply of metals, especially considering the development of American steel production at the time, which surpassed that of Britain in 1886¹⁹, but that was not the case at all. British imports of metals averaged approximately 64

¹⁹Mathias, *op. cit.*, p. 289.

per cent of all imports of this category in Puerto Rico between 1887 and 1894 (excepting 1890) while United States imports of like kind only averaged 15.5 per cent. The year 1890 was exceptional in that a total of 3,644 tons of metals were purchased from Belgium, a country which had not previously figured amongst the island's suppliers of these goods. The reason for this unusually high purchase from a previously unused source was the demand for large amounts of metal to carry out the works of constructing a railway that was to encircle the island. This contract had been granted by the government to a Don Ivo Bosch, in March 1888 and work was commenced that September in accordance with the contract. Faced with strong competition in iron and steel exports, Britain had moved away from those items, such as railway materials, in which competition was fiercest. It is therefore not surprising that the contractors for the Puerto Rican railway did not receive their supplies from British sources choosing a Belgian company instead as their supplier.

Besides the United States and the brief Belgian interlude, Britain's only other competitor for the Puerto Rican metal market was Germany, whose exports amounted in value and importance to a proportion more or less equal to that of the United States. In 1897, at the eve of the Hispanic American War, Britain was still responsible for more than half of all Puerto Rican imports of metal goods.²⁰

²⁰Churchward's report on Puerto Rico for 1899. P.P. 1900, pp. 332.

3. Other Articles

a) Coal

Coal was Britain's only major home-produced raw material but before the middle of the nineteenth century, very little of it was exported from the United Kingdom. However, as with iron, substitution of steam for sail, the extension of overseas railway systems and gas production and the increase of powered industry accounted for a steady increase in world coal consumption which itself resulted in a great growth of its exportation from Britain in the 1840's.²¹ By the middle of the century, Britain was producing approximately two thirds of the world's coal²² and output continued to rise at a rate averaging four per cent per annum until the eve of the First World War. Total exports of coal, coke, cinders and patent fuel stood at £1,284,000 in 1850, representing two per cent of all British exports. In 1913, their value totalled £53,659,660, or ten per cent of a vastly increased trade. (See Table 49.)

Britain held practically a monopoly of coal supplies to Latin America until 1900. In some countries, imports of British coal exceeded even those of cotton manufactures. In the west coast of Latin America, Britain faced some competition from Australian and Japanese coal. Some countries, such as Chile, began to exploit their own coal resources, but local production, in most cases, was unable to meet demand. By 1900, although it had begun to lose some ground, Britain still

²¹Davis, *The Industrial Revolution...*, p. 30 and Platt, *op. cit.*, p. 246-247.

²²Hobsbawm, *op. cit.*, p. 134.

controlled 85 per cent of the overseas coal trade.²³

Table 49. Value of Exports of Coal from Great Britain, 1800-25, and the United Kingdom, 1830-1900 at Five-Yearly Intervals (in millions of £'s)

Year	£000,000's		Year	£000,000's
1800	0.5		1855	2.4
1805	0.5		1860	3.4
1810	0.5		1865	4.5
1815	0.6		1870	5.6
1820	0.2		1875	9.7
1825	0.2		1880	8.4
1830	0.2		1885	10.6
1835	0.2		1890	19.0
1840	0.6		1895	15.4
1845	1.0		1900	38.6
1850	1.3			

Source: Mitchell and Dean, *op. cit.*, pp. 293-295 and 302-305. Figures for 1800 to 1825 represent official values; those for 1830-1900 are values at current prices.

Britain possessed certain advantages over other coal producing areas. Its mines were all located at no more than 25 miles from the coast compared to 50-150 for European competitors, thus considerably reducing transport costs. British shipping could offer relatively low freight costs for coal in shipments due to return laden with bulky primary products and for which the only other alternative would have been ballast.²⁴

²³*Ibid.*, pp. 246-250.

²⁴*Loc. cit.*

According to Davis, British coal had always been regarded as a national asset to be sold on stiff terms, with a heavy export duty and a preference for British shipping.²⁵ Britain's movement towards free trade, however, was to affect this aspect of its trade. In 1834, the general coal export duty was dropped and in 1851, that on coal exports on foreign ships was also annulled.²⁶

Puerto Rico was not a very great consumer of coal during the nineteenth century. The island never possessed the extensive rail networks which crisscrossed Cuba and the rest of Latin America. The project to build a railway encircling the island never came to fruition and in 1900, only four disconnected sections on different parts of the coast were operational and these, according to Consul Churchward, offered a very inefficient service.²⁷ Coal was, however, used increasingly to power steam engines for mills and its growing importance can be surmised by the liberal terms allowed for its importation from a government not renowned for free-trade policies. In 1858, Consul Hunt reported that vessels bringing as many tons of coal as their tonnage per register would pay only 50 cents per ton, or half of the usual tonnage due of one dollar per ton.²⁸ On 4 February, 1868, coal was declared duty free together with a long list of provisions and articles of first necessity, a measure obtained via a royal decree by Governor Paria y Lucy to help alleviate the distress of the general population following the devastation caused by a hurricane and an earthquake in October and November (respectively) of

²⁵Davis, *The Industrial Revolution...*, p. 30.

²⁶*Loc. cit.*

²⁷Churchward's report on Puerto Rico for 1899. P.P. 1900, p. 345.

²⁸Report by Mr. Acting-Consul [Francis] Cowper on the Trade and Commerce of the Island of Porto Rico during the Year 1867. P.P. 1868-69. 1868-69 [4110-I-VI] LIX.1, LXI, 65, 103, 171, 279, 361, p. 609.

1867.²⁹ In 1869, many of these duties were re-imposed, but coal, together with a handful of other articles, remained duty-free until the end of the century. For this reason, after this date, coal became virtually the only British article transported to Puerto Rico on British ships, as the tariff favouring Spanish shipping did not affect it.

A further government order, dated 25 March, 1873, decreed that vessels arriving at Puerto Rico with an entire cargo of coal would not be charged tonnage dues or the discharge duty.³⁰ In 1878, Consul Bidwell reported that although coal was exempted from paying duties, and vessels carrying it were exempted from tonnage dues, it did pay an octroi due of 50 cents per ton. These octroi dues were a form of local tax levied on certain articles on their admission into a town.³¹ Furthermore, although vessels carrying only coal were exempt from tonnage dues, they still paid light and port charges in another form: 12.5 cents per ton for clearing the port, light dues, and captain-of-the-port fees. However, even with these expenses, British coal vessels were considerably better off than any other foreign merchant ships. These privileges were immediately invalidated if the vessel carried any other cargo except coal, in which case the regular \$1.00 per ton fee applied.³²

According to Consul Cowper, up to 1873, the Puerto Rican coal trade remained exclusively in British hands. That year, however, some shipments from the British North American provinces reached Puerto Rico in sufficient

²⁹*Loc. cit.*

³⁰Cowper's report on Puerto Rico for 1873. P.P. 1874, p. 891.

³¹Bidwell does not specify whether these taxes applied to San Juan only, whether they varied from town to town, or whether they were the same all over the island.

³²Report by Consul Bidwell on the Customs Tariff of Puerto Rico with Reference to the Revised Spanish Tariff of 1869. P.P. 1878 [C.2088] LXXIV.351, p. 1299.

quantities to merit comment.³³ Imports of Canadian coal, however, were usually small and erratic, but in the 1880's United States coal began to appear on a regular basis on the list of Puerto Rican imports, slowly gaining headway towards the end of the decade. Nevertheless, Britain was doubtless the island's main supplier until, in 1891, the situation changed dramatically as a result of the implementation in 1890 of the McKinley tariff in the United States.

This tariff was essentially liberal towards the importation of tropical produce into the United States, allowing such articles as coffee, tea, hides and sugar to enter duty free, but it included a reciprocity clause whereby countries which did not reciprocate by allowing United States goods to enter on equally liberal terms would have to pay duty on their exports. These duties were much lower (about 50 per cent) than those of the previous 1890 tariff, but they were still enough to place "non-cooperating" countries at a serious disadvantage.³⁴

In principle, the McKinley tariff should have had little effect on Puerto Rico. The island's largest income by far in the 1890's had long since been its exports of coffee, not sugar, and the United States had never been an avid customer of Puerto Rican coffee. But Puerto Rico was only one of two Spanish Caribbean colonies, truly the least important one in the eyes of the "mother country". Cuba's sugar industry had to be saved, especially when considering that political discontent was much more virulent in the larger island than in Puerto Rico. The possibility of opening Spanish ports to colonial sugar was barred by the need to protect the interests of the Andalusian sugar producers. The clever manoeuvres of the United States had tied Spain's

³³Cowper's report on Puerto Rico fro 1873. P.P. 1874, p. 885.

³⁴Taussig, *op. cit.*, pp. 278-279. For a more detailed account of the effects of the McKinley Tariff in Puerto Rico, see, *infra.*, pp. 280-281.

hands:

After several months of conversations, delays and similar tactics to save face, Spain capitulated to North American demands. It had little choice, not being willing to open its market to colonial sugar production. There were the usual protests heard in the *Cortes* about North American economic domination. Nothing, however, on Spanish responsibility on bringing about the situation.³⁵

Although, as we have seen, British imports of textiles and metals remained unaffected by the 1890-91 reciprocity agreements, and we will see later on that this was also the case with machinery, it was a different story with coal. Immediately, in 1891, the United States took over 90 per cent of the island's coal, and the following year, Consul Vecqueray reported that, according to the official statistics, "the whole quantity of coal imported in 1892 came from the United States."³⁶ Although the situation would not remain quite so drastic after that year, it was clear that Great Britain's hold on the coal trade with Puerto Rico had vanished for ever. (See Table 50.)

³⁵Ramos, "The Influence of Mechanization...", p. 95.

³⁶Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, p. 537.

Table 50. Compared Imports of British and United States
Coal into Puerto Rico, 1885-94

Year	Imports of Coal from G.B. (in tons)	G.B. as a % of Total Coal Imports	Imports of Coal from U.S. (in tons)	U.S. as a % of Total Coal Imports	Total Imports of Coal (in tons)
1885	5,519*	86	n/a	n/a	6,411
1886	15,908	92	1,400	8	17,361
1887	6,200	66	2,800	30	9,400
1888	12,000	73	4,000	24	16,469
1889	6,500	58	5,000	45	11,209
1890	11,443	52	10,131	46	22,000
1891	1,492	9	15,318	90	17,111
1892	0	0	14,277	100	14,277
1893	5,664	32	12,091	68	17,836
1894	2,134	12	14,852	87	17,107

* Figure includes imports of coal from British possessions as well (presumably Canada).

Sources: For 1885 and 1886: 94.831, p. 375; for 1887: 94.837, p. 174; for 1888: 96.646, p. 98; for 1889: 97.761, p. 809; for 1890: 98.717, p. 176; for 1891: 99.878, p. 839; for 1892: 101.849, p. 537; for 1893: 102.789, p. 678.

It is interesting to note that in many areas where an element of choice was involved, such as manufactures of textiles, metals and machinery, the Puerto Rican population, accustomed mainly to *British* imports, did not switch to United States substitutes but continued instead to purchase these *British* imports in almost unaffected proportions, in spite of the reciprocity agreements of the 1890's. Where a raw material, such as coal, was concerned, its origin being of little importance, the advantages of lower prices were fully grasped. It is not

surprising that coal, therefore, was the only British import affected by the aggressive, bilateral trade policy of the United States during the last decade of the nineteenth century.

b) Machinery

When the British metal industry began to diversify, after the conclusion of the Napoleonic Wars, one of the new branches to develop was the production of machinery and steam engines. Their production was vital to industrialisation and development at home and abroad, and they were urgently sought after by foreign buyers. However, until well after the middle of the nineteenth century, they made but a modest contribution to Britain's export trade: only £233,000 in 1824-26. In 1854-56, they still only represented 10 per cent of the total value of metal and metalware exports. This late development could partly be due to the prohibition on the exportation of machinery from Great Britain that was in force between 1780 and 1825, presumably to protect home industry and delay industrialisation abroad. In any case, British engineers had their hands full supplying the home market, and any exports of machinery would have necessarily deprived a British industrialist of much needed equipment. Steam engines were the only kind of machinery which could be legally exported before 1825. After that year and until 1843, exportation of all types of machinery was allowed only under licence.³⁷

After mid century, however, the situation changed dramatically and the expansion of British trade came to owe much to the engineering industry. In 1850, textiles accounted for 63 per cent of all British exports while only 18 per cent were described as "metal and

³⁷Davis, *The Industrial Revolution...*, pp. 26-27.

engineering", but at the eve of the First World War, the percentages of a vastly expanded trade were 34 and 27 respectively.³⁸ Textile exports rose from 1815 to 1888 and then maintained the same level for 17 years, while machinery exports doubled in the 1880's and rose a further 50 per cent in the 1890's.³⁹ (See Table 51.)

Up until the 1840's, Puerto Rico's demand for machinery had been limited. The island's economy at the time depended largely on sugar and for a long time, most of this sugar was produced using methods which were technically quite primitive. Coffee was still a crop of secondary importance and its cultivation, in any case, was an equally un-mechanised affair. It follows that the island's needs for machinery were meagre. Large investments in heavy machinery, such as steam-powered mills were rare before the 1840's. In Ponce, for example, a major sugar producing area, there were only six steam-driven mills by 1845; more importantly, the planters that did use them had incorporated them almost immediately after founding their haciendas, and were, more often than not, foreigners who had arrived in Puerto Rico with enough capital to start large-scale plantations.⁴⁰ It was clearly beyond the means of the smaller hacendados, with only two or three cuerdas of cane under cultivation, to raise the 12,000-odd pesos⁴¹ needed to purchase a steam engine. Neither was it necessary. In the early years of the nineteenth century, when the price of sugar was at its peak, small, mainly

³⁸E.A.G. Robinson, "The Changing Structure of the British Economy", *Economic Journal*, Vol. LXIV, 1954, p. 460. From Platt, *op. cit.*, p. 229.

³⁹Platt, *op. cit.*, pp. 229-240.

⁴⁰Scarano, *op. cit.*, pp. 73-75.

⁴¹Figures quoted in 1838 as price of a steam engine in the accounting papers of Hacienda Henrietta in Arroyo, then a quarter of the municipality of Guayama on the southern coast. (Ramos, "The Influence of Mechanization...", p. 43).

Creole-owned units, could co-exist profitably alongside the larger, more technically advanced estates which usually belonged to foreigners. But the years of bonanza could not last forever.

Table 51. Exports of Machinery from Great Britain, 1800-25, and the United Kingdom, 1830-1913, at Five-Yearly Intervals (in £000's)

Year	£000's		Year	£000's
1800	nil		1860	3,800
1805	nil		1865	5,200
1810	nil		1870	5,300
1815	nil		1875	9,000
1820	nil		1880	9,000
1825	630		1885	11,100
1830	200		1890	16,400
1835	300		1895	15,200
1840	600		1900	19,600
1845	900		1905	23,300
1850	1,000		1910	29,300
1855	2,200		1913	37,000

Source: Mitchell and Dean, *op. cit.*, pp. 293-295 and 302-305. Figures for 1800-25 represent official values; those of 1830-1913 are values at current prices.

The brief crisis which the sugar industry underwent during the 1840's created great concern amongst Puerto Rican hacendados. It made patent, for the first time, that unaided prosperity was not something that could be relied upon perpetually and that the sugar industry, left

to its own devices, would not necessarily and automatically run smoothly and produce great profits.

One of the methods used to tackle the problem was the introduction of partial mechanisation at the individual level, especially by the acquisition of steam-driven mills. One might therefore expect a considerable rise in the number of steam engines entering the island in the 1850's. Of these the majority would have doubtless come from Britain as, until the 1880's, this country remained practically unchallenged in the world for machine production.⁴² From 1850 to 1857 (inclusive) however, only 18 British steam engines are recorded in the list of Puerto Rican imports, but there is reason to believe that, as with the majority of British imports (excepting coal) many more British steam engines were being imported via St. Thomas. In 1857, when the results of the new tariff encouraging direct imports to Puerto Rico were first felt, the trade accounts reflect a significant increase in all British imports, among these, steam engines, 19 of which cleared customs during that year alone.⁴³

The 1840's crisis was only a mild version of what was in store for the Puerto Rican sugar industry some 30 years later. The 1870's signalled the beginning of the end of Puerto Rico's export trade with Britain but, paradoxically, the seriousness of the crisis gave an added boost to the commercial relations between the two countries, only this time in the opposite direction.

As with the milder crisis during the 1840's, in the 1870's attention was once again drawn towards mechanisation. Many hacendados who were still employing oxen-driven mills made extraordinary efforts to purchase steam engines, and as in the 1840's and 50's, most of these came from Britain. Between 1870 and 1880, of a

⁴²Platt, *op. cit.*, pp. 229-240.

⁴³Balanzas mercantiles, 1850-59.

total of 276 steam engines imported into Puerto Rico, 255, or more than 90 per cent were of British origin.⁴⁴

It could, of course, be argued that the island had little choice but to purchase British machinery given Britain's predominance as a supplier. But, interestingly, the situation in Puerto Rico contrasts with the Cuban experience where, already by the end of the 1850's, almost 50 per cent of all machinery imported was arriving from the United States. Britain's share of the Cuban market in machinery was only one third, while France took only one ninth.⁴⁵ "Not long ago, machinery for Cuba could only be obtained from England," said a British sugar manufacturer in 1848. "Now the majority of the steam engines and sugar mills are imported from the United States"⁴⁶ a fact which appears to contrast with D.C.M. Platt's assertion that British machinery was preferred all over Latin America, even in Cuba, in spite of United States influence.⁴⁷ In contrast, Consul Bidwell could confidently state in 1878, that Puerto Rico was "doubtless known to many British merchants... and to Scotch (sic.) engineers who have for the most part supplied it with sugar machinery: such well known names as Tait and Mirlees and Buchanan are to be seen on scores of sugar plantations."⁴⁸

Partial mechanisation, however, was simply not enough to offset the consequences of the 1870's crisis. What was needed was cheaper sugar of better quality which would be able to compete in the European markets with

⁴⁴Ramos, "The Influence of Mechanization...", p. 107.

⁴⁵Ely, *op. cit.*, pp. 515-516.

⁴⁶John A. León, *Sugar Cultivation in Louisiana, Cuba, etc. and the British Possessions. By an European and Colonial Sugar Manufacturer.* London, 1848 from Ely, *op. cit.*, pp. 515-516.

⁴⁷Platt, *op. cit.*, pp. 229-240.

⁴⁸Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1623.

beet sugar and in the United States with Louisiana sugar. The *central* system of production was soon seen as the only economically viable means of producing sugar of high standards at low prices, but the enormity of the cost involved placed many would-be investors out of the race. According to the British firm Manlove and Alliot, a unit capable of producing 3,600 short tons of sugar in four months would cost approximately \$300,000.⁴⁹

Ambitious projects, such as that of Leonardo Igaravídez, who established the island's first *central*, San Vicente, in Vega Baja, often ended in a shambles. Lack of capital and adequate sources of financing continued to be the major drawback, so those centrales that did develop in the island were often owned by merchants of long standing credit and solid capital, such as the partnership formed by Jorge Latimer and his associates, whose Canóvanas central near Loíza, commenced operations in 1880⁵⁰, or Central Progreso in Carolina, established in 1886 by the San Juan based British merchant firm Lamb, Stoker and Gad.⁵¹ Between 1873 and 1898, a total of 22 centrales had been founded along the island's coastal plains. Of these, at least half were equipped with British machinery, a quarter with French and only one in ten with machinery imported from the United States.⁵²

Of course, sugar manufacturing was not the only activity on the island that required machinery. As early as 1856, the customs accounts record the importation of

⁴⁹Ramos, "The Influence of Mechanization...", pp. 134-135.

⁵⁰*Ibid.*, p. 141. This central was eventually taken over by the London based corporation Canóvanas Sugar Company Limited, in 1882 (*Ibid.*, p. 143).

⁵¹*Ibid.*, p. 144.

⁵²José Ferreras Pagán, *Biografía de las riquezas de Puerto Rico: Riqueza azucarera*. Vols. I and II. San Juan, Tipografía Luis Ferreras, 1902, *passim*, from Ramos, "The Influence of Mechanization...", p. 287.

one brick-making machine from England.⁵³ In 1859, one bread-maker, one stake-digger and two knife-cleaners were also imported from the same source.⁵⁴ Coffee required a much lower degree of mechanisation than sugar for success, but nevertheless, shelling machines became a minimum requirement in most coffee haciendas. Between 1851 and 1870, at a stage when coffee growing had still not reached its peak, Fernando Picó has recorded 14 references to machinery belonging to coffee estate proprietors in the course of legal transactions taking effect in Utuado, a region that was to become a major coffee enclave.⁵⁵ "Having a coffee shelling machine meant a great difference in the price that could be obtained for one's coffee", says Picó. "Café uva ("grape coffee") or unprocessed whole-grain coffee in the state in which it had been picked, was worth much less than *café pergamino* ("scroll coffee") or coffee which had been shelled and ground, ready for shipping."⁵⁶

Consular records make no specific mention of coffee machines, tending to group all imports of machinery together in their reports, but it is well known that those of British origin were preferred all over the Latin American coffee-producing regions.⁵⁷ In any case, until the very eve of the Hispanic American War, Britain held its lead as a supplier of all kinds of machinery to Puerto Rico, consistently providing over 50 per cent of these imports. Its main competitor was the United States, and although there was a tendency for British imports of machinery to decline and those of United States machinery to increase during the very last years

⁵³Balanza mercantil, 1856.

⁵⁴Balanza mercantil, 1859.

⁵⁵Picó, *Amargo café*, pp. 99-101.

⁵⁶*Ibid.*, p. 99.

⁵⁷Platt, *op. cit.*, pp. 229-240.

of the nineteenth century (see Table 52) this tendency, was neither steady nor strong and in 1897, the last year of Spanish rule, Britain was still supplying more than half of the value of the island's imports of machinery.

Table 52. Puerto Rican Imports of Machinery from Great Britain and the United States (in tons) and Percentage of Total Represented by Both Countries, 1889-94

Year	Great Britain	G.B. as % of Total	United States	U.S. as % of Total	Total
1889	453	70	<20*	<3*	648
1890	501	84	21	3	596**
1891	1,492	63	839	35	2,359
1892	494	78	83	13	631
1893	667	65	209	22	961
1894	778	56	325	23	1,378

* Figure for United States in 1889 simply stated by consul as being less than 20 tons.

** Figure for total imports of machinery for 1890 not stated by consul but sum of all quoted sources equals 596 tons.

Sources: 1889: 97.761, pp. 809-810; 1890: 98.717, p. 840; 1891: 99.878, p. 840; 1892: 101.849, p. 538; 1893: 102.789, p. 679; 1894: 103.856, p. 581.

c) Miscellaneous imports

The list of British imports recorded under "other articles" in the Puerto Rican customs returns during the 1850's and 60's contains a whole range of weird and wonderful items: black smoke; musical paper (with notes);

iron beds; prefabricated houses; shoemakers' thread; children's toys; matches; playing cards; rubber shoes; chests; iron money boxes; artificial flowers; straw hats; fire crackers; wallpaper; shoe polish; diaries; bath tubs; fire-hydrants; filtering stones; four-wheel carriages; tombstones and mausoleums; all appear at more or less regular intervals in this extensive and truly versatile list of British paraphernalia.

However, quite apart from these curiosities, there were several objects of relatively minor importance in which Britain either led the trade or participated actively.

The bulk of linseed and cottonseed oil imports was consistently supplied by England during the nineteenth century with some erratic competition on the part of Spain. The same was true of the island's imports of saddlery. Most agricultural implements were of British origin throughout the century although towards its final years, the United States became more of a rival in this area.

There is also a list of articles of which Britain, together with Spain, France, Germany and the United States, was a frequent supplier. These include: paraffin and stearnine; boots and shoes; hats; umbrellas; crockery; glassware; stoneware and porcelains; drugs and chemicals; paper; soap; perfumery; and sewing machines to name but the most outstanding.

British imports into Puerto Rico behaved in a sort of inverse pattern to that of Puerto Rican exports to Britain. (See Figures 13 and 14, pp. 211-212.) From 1840 to 1856, the official statistics record British products as making up an average of less than 2 per cent of all articles imported into Puerto Rico. (See Figure 15, p. 213.) In comparison, both Spain and the United

States were supplying close to 20 per cent each of all imports. The figures related to British trade in the official statistics at this time however, are not a faithful indicator of its volume as a considerable amount of imports from this source were entering Puerto Rico via Saint Thomas and were therefore being registered inaccurately at customs as products of the Foreign West Indies. After 1857, however, the influence of Saint Thomas was greatly undermined by a new tariff designed to encourage direct trade, and the quantity of imports officially recorded as British at the island's customs houses immediately began to rise.

The proportion of British imports continued to rise through the 1860's and 70's, reaching 23 per cent in 1878 while that of Spanish and United States imports remained practically static at around 22 and 23 per cent respectively, with a slight check for American imports during the United States Civil War. This was counter-balanced by a come-back in the years immediately following the conflict. (See Figures 16 and 17, pp. 214-215.) In 1877, Great Britain overtook both the United States and Spain becoming Puerto Rico's main supplier of imports for the first time, controlling 22.7 per cent of the import trade compared to the United States' 18.2 per cent. and Spain's 20.4 per cent.

The variety of British imports was ample and often curious but the most important ones were undoubtedly textiles, coal, metals --especially iron-- machinery and rice. British coal and iron in particular faced little competition throughout the century. Economic difficulties in the sugar industry during the late 1870's and 1880's furthermore translated into a boost in the importation of British agricultural machinery. By the 1880's, Britain was firmly established as Puerto Rico's main import supplier. In the first half of that decade especially, about one third of the island's import trade was conducted with Britain, one quarter with Spain, and

only one fifth with the United States, but these figures tended to level towards the end of the decade, yielding 26, 22 and 25 per cent respectively as an average for the whole decade. (See Figure 18, p. 216.)

During the 1890's, however, the pattern was altered. As the Spanish textile industry matured, increasing quantities of heavily protected cotton manufactures began to compete with the well-established British products. Britain's main advantage, the superior quality of its textiles, became eroded as the years advanced and the merits of Spanish manufactures began to improve. At the same time, prices of British imports increased significantly as a result of currency devaluation acting as yet another deterrent from purchasing British textiles, even if their quality remained arguably better than their Spanish equivalents.

Already in the last few years of the 1880's, Spain had overtaken Britain as the island's main supplier of cotton textiles. In 1889, it even surpassed Britain in woollen imports, a category at which the British had been hitherto unchallenged in the island. Although Britain soon regained its lead in woollen supplies, it did not recuperate its position as main supplier of cotton textiles to Puerto Rico. Although Puerto Rico remained an important outlet for British textiles and these continued to be held in high esteem by the Puerto Rican consumer, during the last decade of the nineteenth century, Britain was to trail by a short margin behind Spain and thus assume the role of the island's second supplier of cotton manufactures.

Further disadvantages for British imports in Puerto Rico resulted from the 1890's "Tariff War" between the United States and Spain. Its impact however, was not as strong as might have been expected. The United States' participation in Puerto Rico's trade did grow, although not impressively, its slight increase made possible at the expense of a small number of British imports.

Spain's share of the island's import trade remained largely unaffected. Although some United States exports were often in direct competition with British products, Britain retained its lead in the Puerto Rican market in sales of machinery and metals. Coal, which until the early 1890's had been a virtual British monopoly in Puerto Rico, was indeed the only British item to be seriously undermined by the new state of affairs, but it contributed to the reduction in Britain's participation in the island's import trade which was experienced in the last decade of the century due to currency devaluation and increased protection of Spanish textiles.

In 1900, Consul Churchward reported on the last set of official statistics before the 1898 war. These show a considerable falling off in the island's imports of British products which now only amounted to under one tenth of the total. To the consul's figure, however, a further 900,000 pesos worth of imports for British India must be added. These consisted of rice re-exported through Britain which had been classed as British until 1893. British participation in the island's import trade in 1897, therefore, stood at 14 per cent. The United States were responsible for 21 per cent of all imports and Spain for 41 per cent. (See Figure 19, p. 217)

* * *

In this section, the nature and volume of Puerto Rico's external trade during the nineteenth century has been outlined paying special attention to Britain's role within this exchange. Although its importance as a consumer of Puerto Rican sugar and a supplier of manufactures to the island varied in its intensity throughout the century, the overall picture undoubtedly

presents Britain as one of Puerto Rico's most valuable trading partners before 1898. It would now seem appropriate to consider the various aspects involved in conducting the exchange between the two countries. The economic, geographical, navigational, structural and cultural elements surrounding the development of this trade shall constitute the subject of the following section.

Fig. 11. Imports into Puerto Rico
1840-97 (in millions of pesos)

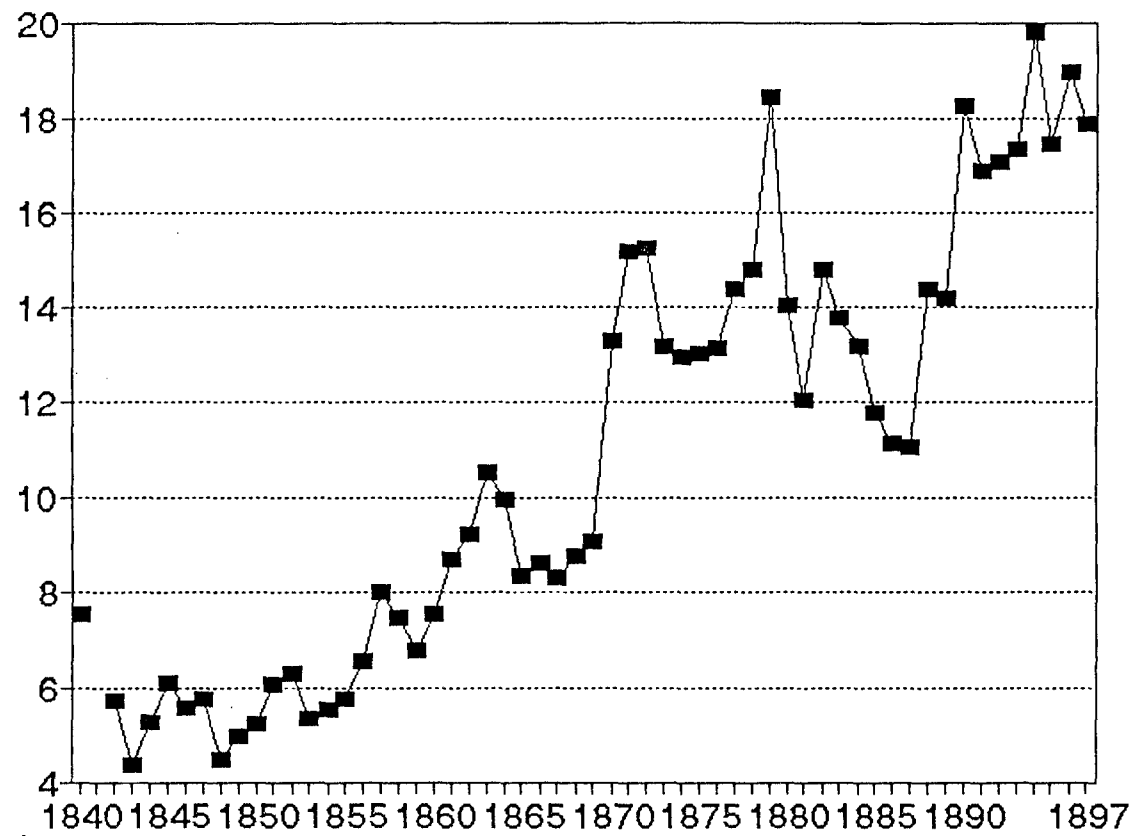


Fig. 12. Percent. of Imports Registered
under Foreign West Indies and England,
1850-1870

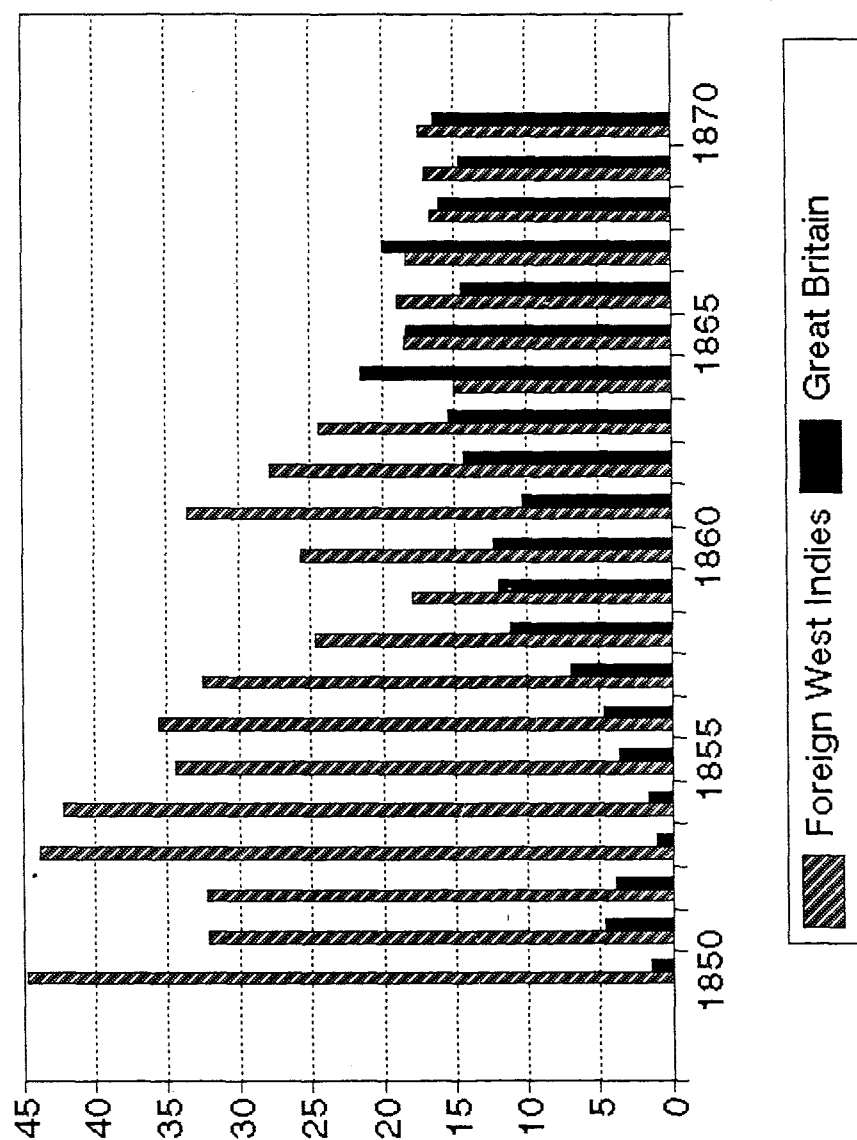


Fig. 13. British Imports into
Puerto Rico, 1840-97

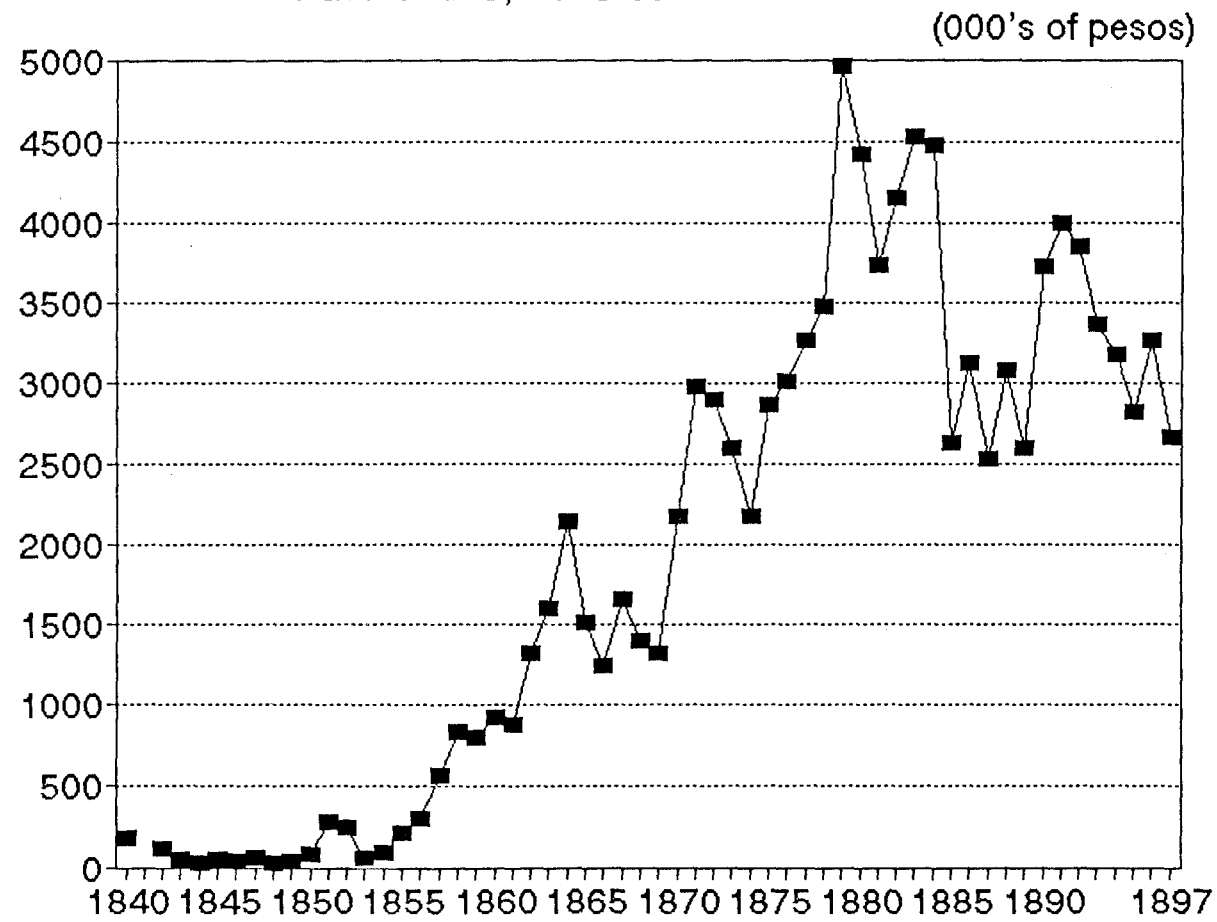


Fig. 14. Imports into Puerto Rico from
GB, US and Spain, 1840-97

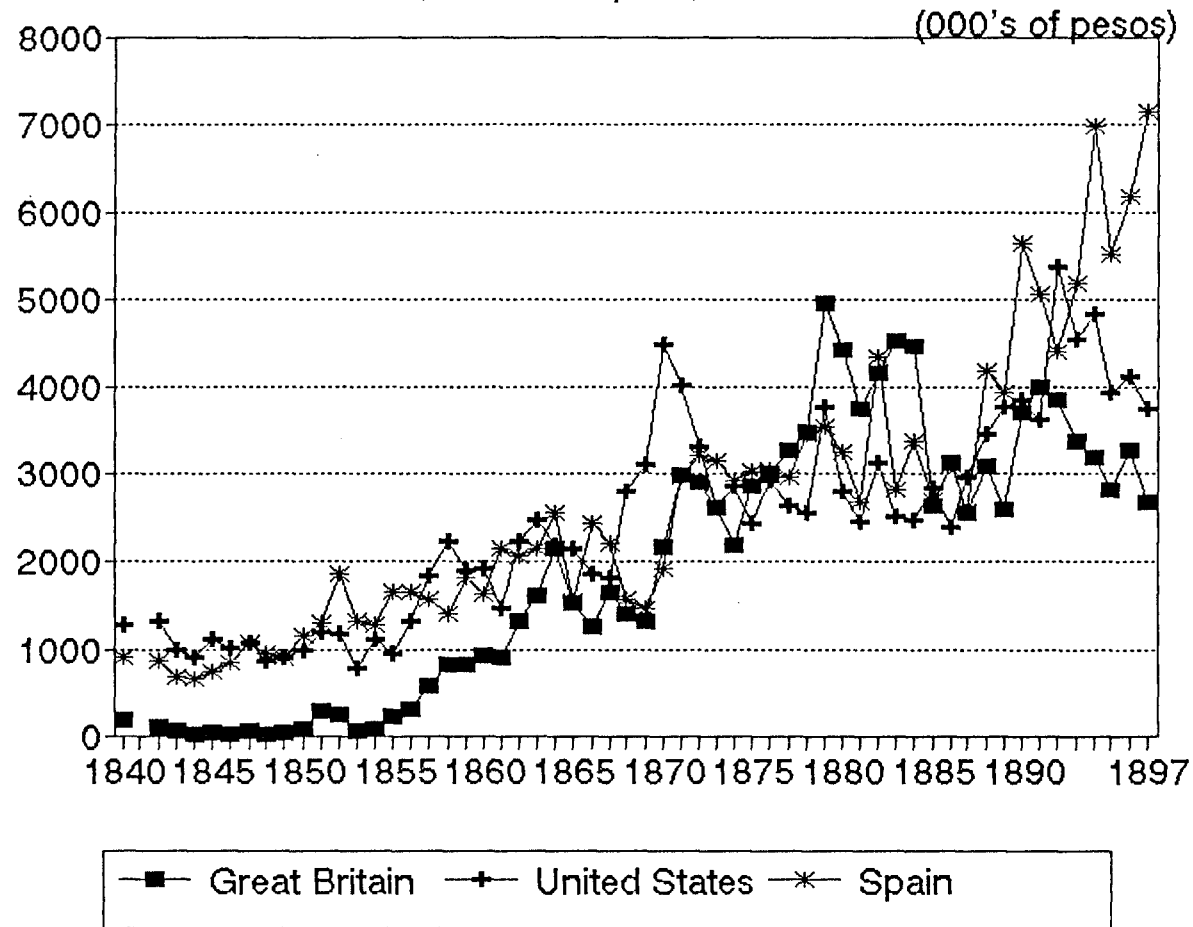


Fig. 15. Imports into Puerto Rico
1840-56

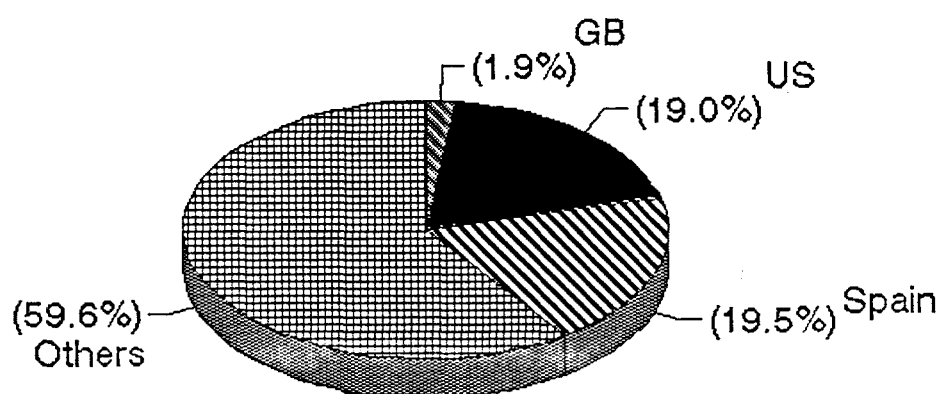


Fig. 16. Imports into Puerto Rico
1860's

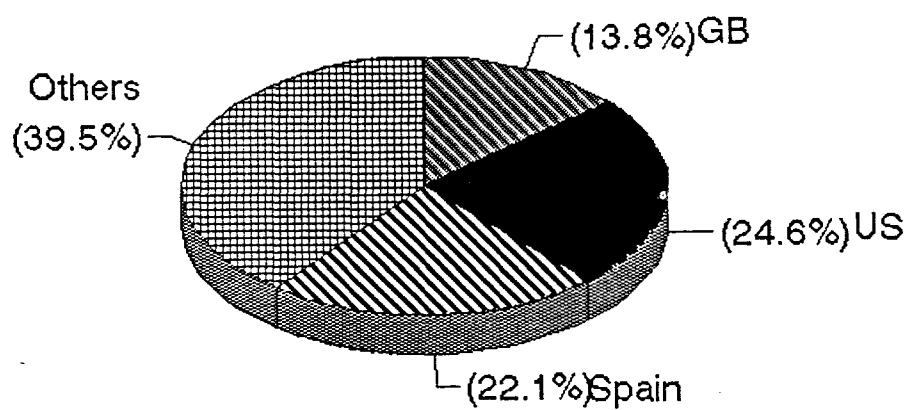


Fig. 17. Imports into Puerto Rico,
1870's

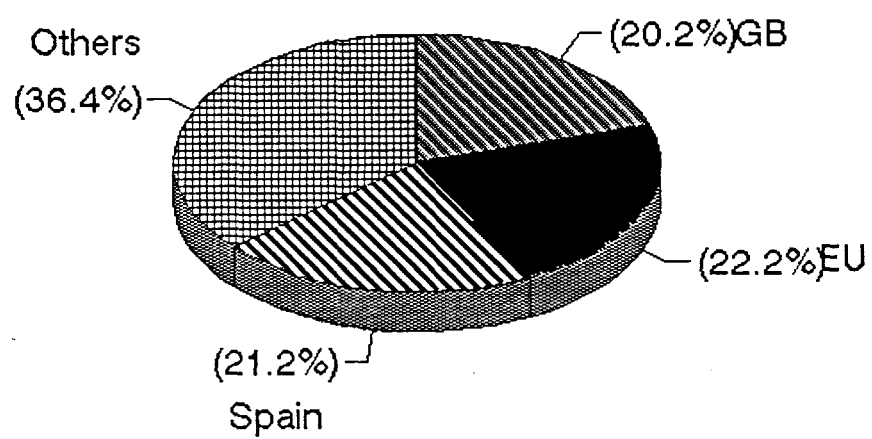


Fig. 18. Imports into Puerto Rico,
1880's

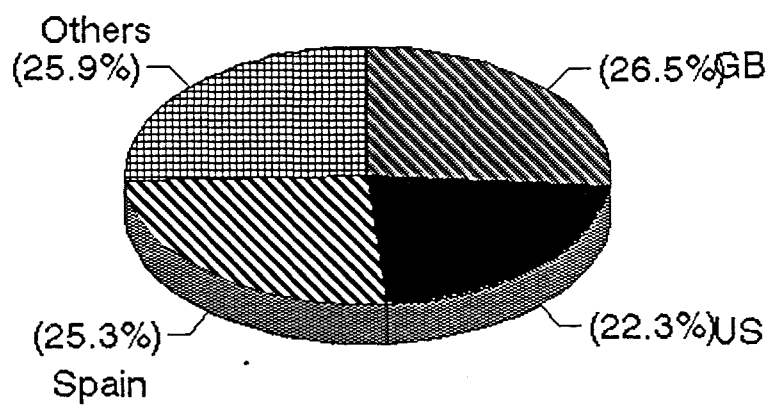
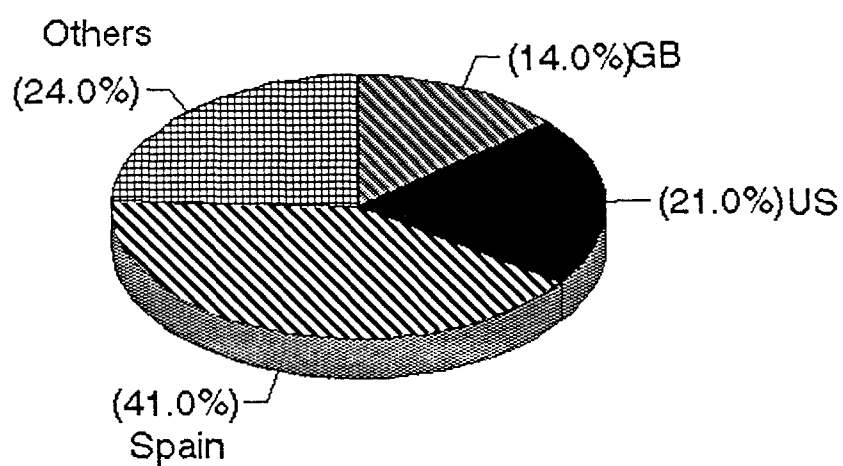


Fig. 19. Imports into Puerto Rico, 1897



Part III. The Mechanisms of the Trade

CHAPTER 1. CLINCHING THE DEAL: FINANCIAL AND MERCANTILE CONSIDERATIONS IN PUERTO RICO'S TRADE WITH GREAT BRITAIN

The coordination of such a large trade as that which existed between Puerto Rico and Great Britain during the nineteenth century involved various strictly financial aspects which are worth looking into. Amongst these, the mechanisms of credit, local currency and exchange rates are of particular interest. Likewise, the movement and distribution of merchandise from one country to the other had to be organised by merchants or consignees which inevitably influenced the nature of the commerce. This chapter will therefore consider those characteristics of the Anglo-Puerto Rican trade which refer specifically to the essential process of buying and selling merchandise.

1. Currency

If we are to understand the peculiarities surrounding the whole network of credit, finance and merchandising in nineteenth century Puerto Rico, it is necessary to remember that until the late eighteenth century, the island had seen very little in the way of development of its resources or trade and that, apart from its capital city, it had remained largely ignored by Spanish policy, except in terms of its importance as a military point.

It is well worth emphasising the differences in the experiences of Cuba and Puerto Rico. After the conquest of the continent and the inauguration of the fleet system, Havana had become an important and thriving port.

Its development, and that of its surrounding areas, came naturally as a result of the needs created by the fleets' frequent stops for provisions and services. Furthermore, Spain's need to preserve this important stopping point resulted in the injection of vast sums of money to improve its fortifications during the sixteenth and seventeenth centuries, adding even more money supply to the island's economy. By the middle of the eighteenth century, Havana was the New World's third largest city (after Mexico and Lima), much larger than New York, Philadelphia, Boston or Baltimore.¹

Puerto Rico's experience could hardly have been more dissimilar. Not only was San Juan bypassed by the fleet, but there were often long intervals, lasting several years, before a Spanish ship visited its harbour. Official trade had little reason or incentive to develop and the economy that grew out of those circumstances was one based largely on subsistence agriculture and contraband. Money was brought into San Juan for the upkeep of the military fortifications and the payment of military and administrative personnel in the form of a yearly subsidy from Mexico known as *el situado*. But the situado did not amount to much and often failed to arrive at San Juan altogether, intercepted by any one of the many privateers, corsairs and pirates of all kinds that prowled the area. These were especially rife near the island's north and west coasts, precisely the point of approach for vessels bound from Mexico to San Juan.

Thus, the agricultural, economic and commercial growth of Puerto Rico as a whole, was largely neglected during the sixteenth and seventeenth centuries, and for the greater part of the eighteenth century. Population was very low, a mere 6,000 souls in 1700. Even in 1765, when the island had experienced a population

¹Laird Bergad, "¿'Dos alas de un mismo pájaro'? Notas sobre la historia socioeconómica comparativa de Cuba y Puerto Rico", *Historia y sociedad*, Vol. 1, 1988, pp. 145-146.

boom that increased the number of its inhabitants to 44,000, this was still below the number of dwellers of the city of Havana alone.²

When Spanish policy veered towards taking an active interest in the development of its Caribbean possessions during the late eighteenth and the early nineteenth century, Cuba had already developed a solid economic infrastructure and its native class of planters and traders --a national bourgeoisie-- had accumulated enough resources to turn that country into the world's richest sugar economy.

This was not the case in Puerto Rico where the key to modernisation did not lie in local capital, which had only begun to develop in the second half of the eighteenth century, but in the mass immigration of foreigners and Peninsular Spaniards in the early decades of the nineteenth century. With their capital, connections and know-how, these immigrants soon took over the most prominent economic roles of the colony as landowners and merchants, and eventually managed to oust the creole population from all positions of local authority, thus controlling the island, to a large extent, politically and socially as well.³

With a historical background that encompassed three centuries of almost nil development, it is hardly surprising that the sudden, externally injected and quite unnatural growth which was experienced in Puerto Rico during the nineteenth century would result in a series of difficulties and contradictions, of which an endemic lack of currency was probably its most acute exponent.

Until the early years of the nineteenth century, the only currency to circulate in the island was that derived from the situado. This currency was not abundant in San

²Picó, *Historia general...*, p. 104 and Bergad, "Dos alas...", pp. 145-146.

³Bergad, "Dos alas...", p. 148.

Juan, even less so outside the capital. Reserves of bullion were seriously depleted by the contraband trade as currency was frequently used to supplement bartering.⁴ When the situado came to an end after 1810, the lack of currency in the island became desperate together with the need to find new sources of revenue based on the island's own economy.⁵

The lack of bullion made it necessary for the island's governor to create a provincial paper currency in 1812 with the hope that it would be unattractive to foreign traders thus preventing its exportation. That same year, it became illegal to pay for foreign imports in currency. All transactions had to be in exchange for the island's produce.⁶ This new provincial currency soon began to lose its value. By 1814, it had devalued by 300 per cent with highly inflationary consequences.

Alejandro Ramírez, previously Secretary to the Presidency in Guatemala and recently appointed Puerto Rico's first *intendente* and treasurer, soon set about to put an end to the inflationary crisis, recalling all the paper money and securing authorization from the Captain General for the circulation of the *macuquina* coin.

The macuquina coin was a currency of relatively low quality which had been brought into the island in large quantities by royalist immigrants from Venezuela. Authorization of its circulation was meant only as a temporary measure but, for lack of better coinage, it was not called in until 1857. In 1845, Consul Lindegren described its value to be somewhere between \$4.85 and \$5.00 for the pound sterling or \$18 pesos macuquinos for

⁴See Morales, *Puerto Rico and the Non-Hispanic Caribbean...*, pp. 84-86.

⁵Sonesson, "Puerto Rico's Commerce...", p. 33.

⁶Luis González Vales, "Alejandro Ramírez y la crisis del papel moneda: Apuntes para la historia económica de Puerto Rico en el Siglo XIX", *Boletín de la Academia Puertorriqueña de la Historia*. Vol. IV, No. 13, 1975, pp. 42-49.

the Spanish Doubloon. Up to 75 per cent of duties on both exports and imports could be paid in macuquina. The rest had to be remitted in gold or Spanish dollars.⁷

The macuquina coin was easily worn and therefore often falsified; it too quickly lost value in spite of government orders that its face value be preserved. In 1824, it was supplemented by the *peseta sevillana*. Together with these two forms of currency, there circulated in the island all manner of foreign gold and silver: United States, French, Cuban and South American, a situation which, however was not unusual in the region.

In 1857, the Spanish government recalled all the macuquina coin and substituted it with the Spanish silver coin known as the *peso fuerte* in quantities which, however, were not enough to solve the island's currency shortage. Merchants made the situation worse by holding on to Spanish currency to speculate in exchange for macuquina (before 1857) and foreign currency, thus "exploiting" the *peso fuerte*. A year after its introduction, it had already become a very scarce commodity and its price was artificially inflated. Demand for it was high because it had become the only currency accepted by the government to pay for duties and taxes.⁸ Once in the coffers of the *Intendencia* (Treasury) it was seldom put back into circulation as it was kept to nurture a fund aimed at financing any possible military expenses should the expected and intensely feared invasion of Cuba by the United States happen to take place.⁹

According to Annie Santiago de Curet, in 1861, to help alleviate the shortage of currency, the government

⁷P.R.O., F.O. 72/683. Lindegren to Aberdeen, January, 1845.

⁸Cowper's report on Puerto Rico for 1866. P.P. 1867, p. 564.

⁹LaBordiere to Count Walewski, San Juan, December 9, 1858, France A.M.A.E., A.D., C.C.C., Porto Rico, Vol. 4, 1851-1858, from Sonesson, "Puerto Rico's Commerce...", p. 220.

ordered the acceptance of any form of foreign currency as legal tender in the state coffers.¹⁰ This contrasts, however, with Consul Cowper's report for 1866 in which he describes the island's "confusing" money situation. Spanish money was still the only legal tender, he reported, and the only kind of currency accepted by government offices. He added that this form of currency was still scarce and that which was available was very old and worn, often indistinguishable, having therefore depreciated to less than half its nominal value. In practical terms, United States half and quarter dollars had replaced Spanish money. These were not legally recognised and were marked at 20 per cent beyond their real value. Cowper proceeded to suggest that the best course of action would have been to follow the Cuban example and legalise United States money at its intrinsic value (i.e. 20 cents for the quarter and 40 cents for the half dollar). Instead, Spain had insisted, through a new royal decree, on Spanish money being the only legal tender. All accounts had to be kept in a new unit of currency, the *escudo*, valued at half a Spanish dollar. Old currency, however, had not been called in, nor had a new one been supplied. As a result, merchants were often obliged to pay 3 and 4 per cent to obtain Spanish money with which to settle their excise payments.¹¹

During the 1860's and most of the 1870's, the island experienced a non-inflationary environment. The exchange rate for sterling fluctuated between \$4.75 and \$5.25, and the price of provisions remained relatively stable. The late 1870's, however introduced a change that alleviated the problem of the scarcity of currency yet created a totally new set of difficulties. This took the form of a

¹⁰Santiago, *op. cit.*, p. 26.

¹¹Cowper's report on Puerto Rico for 1866. P.P. 1867, p. 564. As Santiago does not quote her source, and in view of Cowper's detailed and first-hand description of the island's currency, it would seem appropriate to take consul's word and assume Santiago as mistaken.

large influx of Mexican silver currency into the island apparently as a result of a series of transactions made by ex-slave owners. In 1873, they had been issued with government vouchers promising compensation for abolition. Although information on these transactions is scanty, it would appear that delays on the part of the government provoked uncertainty regarding the eventual exchange of these vouchers for money prompting many a holder to sell them at a discount to certain European bankers in exchange for silver coin. They were paid in Mexican silver dollars which were already depreciating in value.¹² In February, 1878, the government authorised their circulation at the same value as the United States dollar, i.e., 95 cents of a Spanish peso, when in fact, they were worth in the international market, somewhere between 62.5 and 72 cents only. Already in 1878, Consul Bidwell remarked that this new depreciated currency was pushing out all other silver which until then had been largely of United States coinage. American silver was leaving the country in payment of remittances to the United States and was becoming as rare as foreign gold. It had been substituted by Mexican dollars of a reputed value of 84 cents each in New York, but by a recent order of the local government, they were passing current for 100 cents. "The consequence", concluded Bidwell, "is that all other coinage is rapidly disappearing".¹³

The Mexican peso continued to devalue. By 1883/84 it was worth 50 to 60 cents. Its further importation was forbidden in 1886 but it continued to flow illegally into the island, which resulted in its further devaluation while the country plunged into an inflationary crisis.¹⁴

In the 1890's, the situation reached critical

¹²Santiago, *op. cit.*, pp. 28-30.

¹³Bidwell's report on Puerto Rico for 1877. P.P. 1878, pp. 26-27.

¹⁴Gervasio García, "Las primeras actividades de los honrados hijos del trabajo", *Op. cit.*, Vol. 5, 1990, pp. 236-242.

conditions. The average exchange rate increased every year: already in 1878 Bidwell had noted that the island's currency was fluctuating between \$5.00 and \$5.35 to the pound sterling¹⁵; by 1889, it had fallen to \$5.75; then to 6 pesos in 1892, 7 pesos in 1893, and 8.50 in 1894.¹⁶ Furthermore, for the payment of duties, the Mexican dollars were discounted at 20 to 30 percent for purchases of Spanish money. Hardest hit by this situation were the wage earners (who were paid in Mexican currency at the official value), exporters of capital, importers of merchandise and the general consumer who found it very hard to keep pace with ever increasing prices. The only beneficiaries were the sugar and coffee exporters and producers who were paid abroad for their produce at a rate adjusted to the devaluation of the coin which they would then introduce into the island at its nominal value.¹⁷

This situation, which Consul Vecqueray held responsible for depressing all business and depriving the island of banks, credit and all spirit for undertaking new enterprise¹⁸, reached its climax in October 1894 when inflation caused street riots in San Juan and distress all over the island. The following year saw widespread industrial action and discontent as the government of Puerto Rico urged action from Madrid.¹⁹ Finally, in December, 1895, after years of petitioning to that effect, the Mexican coins were recalled and a new provincial coin was introduced in Puerto Rico. The immediate effect was positive for importers of foreign

¹⁵Bidwell's report on Puerto Rico for 1877. P.P. 1878, p. 51.

¹⁶Vecqueray's report on Puerto Rico for the years 1892-94. P.P. 1895, p. 543.

¹⁷García, *op. cit.*, pp. 234-235.

¹⁸Vecqueray's Report on Puerto Rico for 1894. P.P. 1895, p. 711.

¹⁹García, *op. cit.*, p. 241-242.

merchandise. Vecqueray reports the exchange rate to have fallen, in the months following its introduction, to 7.25 pesos to the pound sterling after having reached an all time high of 9.10 during certain months of 1895. In spite of this, he claimed that prices of imports were not lowered significantly, and that in some cases they were actually increased.²⁰

The introduction of the new provincial coin was not the success many people had hoped for and expected. According to Consul Crawford, already in 1896 it had begun to depreciate, the exchange rate averaging 7.65 pesos to the pound sterling, but reaching even 8.10 at a time that year.²¹ By 1898, 8.50 pesos had become the average rate of exchange to the pound sterling.²²

It is worth recapitulating on Puerto Rico's currency situation and marking the influence it might have had on the island's foreign trade. During the period that concerns us it is possible to define two distinct stages. The first one lasted until the mid to late 1870's and was predominantly characterised by the shortage of coinage and a general climate of stability. Foreign coins of several denominations circulated freely together with the official Spanish money which was the scarcest of all and consequently, not only held its value, but tended to be slightly inflated. This situation lent itself to internal speculation usually to the benefit of the merchant class, especially those of recent immigration as this was the one sector of society which was most likely to hold any significant amounts of liquid capital with which to speculate. By strengthening the merchants, the producers were indirectly weakened (a subject which will be approached in the following section). Lack of

²⁰Vecqueray's report on Puerto Rico for 1895. P.P. 1896, pp. 683-684.

²¹Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 588.

²²P.R.O., F.O. 72/2082.

currency promoted high interest rates as money was a scarce commodity and its lending involved considerable risks. It also encouraged debt and a system of business transactions which was based largely on credit. On the other hand, it stemmed off inflation and maintained the value of local currency in the international market at around 5 pesos to the pound sterling from Lindegren's arrival in 1844 until the late 1870's. This state of affairs created a favourable climate for the consumption of foreign imports which generally represented more than three quarters of all merchandise introduced into the island during these years. Although far from ideal, the island's currency situation between the mid 1840's and the late 70's proved workable, sustained, at least until the mid-70's, by a strong sugar industry and profitable prices for sugar in the international market.

The second stage began with the introduction of the Mexican silver currency in the late 1870's, itself the result of the crisis of the sugar industry. As the island's money market became flooded with this depreciated coin, the old problem of the scarcity of coinage was greatly relieved, only to be substituted by rising inflation. The island's currency began to depreciate during the 1880's almost as soon as the government authorised its unrestricted circulation. Its erosion was slow at first (reaching 6 pesos to the pound sterling in 1889) then quite dramatic, reaching almost half of its nominal value in 1895. This new situation was suffered especially by the general consumer who saw the same foreign imports, which had until then comprised the largest proportion of their spending budget, reach unprecedentedly high prices. Likewise, foreign exporters experienced a significant setback in their sales to Puerto Rico. It is no coincidence that as the local currency began to devalue, Britain also began to lose its foothold as the island's main supplier of textiles, while Spain's importance rose significantly. During the

1880's, the proportion of Spanish goods arriving at Puerto Rican ports rose from just over one fifth, to one quarter. This proportion continued to rise during the last decade of the century, while that of foreign imports fell to under two thirds of the total, reaching an all time low of 56 per cent in 1897.

2. Merchants and credit

In the general economic atmosphere of nineteenth century Puerto Rico, the role of a merchant was inevitably linked to that of a banker. The first commercial bank was not opened in Puerto Rico until 1877, and up to that date the agricultural sector found it necessary to rely on merchants for almost any form of finance. In this, the Puerto Rican experience was not dissimilar to that of Cuba where, according to Ely:

The shipping merchant connected the hacendados with the international markets... some merchants were also hacendados, something which allowed them a comfortable outlet for excess capital as they could count on proper warehousing and distribution facilities for this purpose. But above all, they were merchants, in those days that often included performing the role of private bankers. In spite of the hostility which they often experienced from the landowning class, they constituted the *sine qua non* of the sugar industry. Commercial banks did not appear on the island until the 1850's, and agricultural banks did not materialise until much later. Where then could the hacendado -- unaccustomed to thrift when it came to investments -- find the necessary credit to finance his harvest? Fatally, he had to resort to the merchant.²³

²³Ely, *op. cit.*, pp. 300-301. (My translation.)

In Puerto Rico, as in Cuba, a powerful merchant was often also a landowner, and the more powerful he was, the more likely he was to be of Peninsular origin. This is not to say that Creoles were not active in trade, as Fernando Picó hastens to warn us:

Popular lore has it that merchants were always Peninsular Spaniards. In fact, lists of merchants at the time show that in many towns these were a minority, although they were much more conspicuous due to the importance attached to their establishments or for using more modern methods.²⁴

Indeed, after having stated quite categorically in his report for 1871 that all the capital and commercial connections in the island were in the hands of either Spaniards or foreigners, Consul Cowper found it necessary to clarify his statement the following year. "Some native planters are gentlemen of extensive capital", he says.

But so much of both (capital and commercial connections) [is] in the hands of Spaniards and [is] used by them with so much judgement and knowledge of business that I [believe] the prosperity of the island to depend upon the maintenance of the Spanish connection.²⁵

The prominence of *Peninsulares* in the island's mercantile community was another consequence of the policy of development through immigration which has been mentioned above. The lack of native capital capable of engaging in transatlantic business cleared the way for

²⁴Picó, *Historia general...*, p. 187. (My translation.)

²⁵Report on the Trade and Commerce of the Island of Puerto Rico for the Year 1871 (by Consul Henry Augustus Cowper). P.P. 1872 [C.597] LVII.1, p. 791; and Report by Consul Cowper on the Trade and Commerce of Porto Rico for the Year 1872. P.P. 1873 [C.828] LXV.1, p. 1056.

Peninsulares or foreigners with established lines of credit in Europe to settle in Puerto Rico and take full advantage of the dispositions of the 1815 decree. Foreign immigrants (i.e., those who were not Spanish subjects) were however restricted from entering the mercantile community directly as the law imposed upon them, as a requisite for admission to permanent residence, that they settle in Puerto Rico as planters, not merchants. Nevertheless, good prospects in the sugar industry during the first four decades of the nineteenth century attracted many foreigners, previously merchants by trade, to establish haciendas with their capital in the main sugar-producing districts of Puerto Rico, such as Ponce, Mayagüez and Guayama. Once settled as planters, their previous commercial experience was not lost. This was especially the case with a large number of emigrés from Saint Thomas who continued to act as factors in Puerto Rico for commercial houses in the Danish island. After five years of residence in Puerto Rico, the immigrant was granted Spanish citizenship and was allowed to participate directly in commerce.²⁶

Unrestricted by their proposed occupation, Peninsulares could settle down directly to commercial transactions if that was their intention. And indeed it frequently was. They therefore tended to be more mobile, unhindered by rural estates which is at least in part how they came to dominate the commercial activity of the island's main ports and urban centres, especially San Juan.

In the 1820's and 1830's the capital controlled a flourishing re-export trade between the new and as yet unrecognised Spanish American republics and the Peninsula.²⁷ The role of Puerto Rico as a re-exporter of Venezuelan cocoa (later also of Brazilian cotton) began

²⁶Scarano, *op. cit.*, p. 149.

²⁷See Sonesson, "Puerto Rico's Commerce...", pp. 48-66.

when Spain cut off trade relations with the rebels in the 1820's. It was an excellent source of wealth for Peninsular merchants in San Juan who had already expanded their capital by trading with Saint Thomas and importing slaves. They became a very important sector of the capital's (and consequently of the whole country's) society and gained considerable clout in the island's affairs. Puerto Ricans and foreigners were absent from this re-export trade. According to Sonesson:

The re-exportation was Spanish business with Catalonia and Cadiz, pioneered by a generation of resident merchants at a time when bilateral exchange between Spain and Puerto Rico was negligible. Together with import trade from Saint Thomas, regional shipping, and slave trade, it provided financial support for the insular government at critical times and maintained contact with peripheral power bases in the Peninsula while the Old Regime was crumbling. In return for loyalty, the merchant group was given considerable freedom from government intervention.²⁸

Up to 1846, foreign cotton re-exported from the Puerto Rico and Havana depots entered Spain as colonial produce. Little by little, however, these privileges were removed as Spain sought new sources of revenue. After the mid-forties the importance of the San Juan depot declined to the point that it served only as a warehouse for goods imported for local consumption or in transit from Cuba.²⁹ The importance of the Peninsular merchants, however did not decline. Many of them made the transition to direct trade; others specialised in financing. Gradually, they were to become the final and important link in most overseas transactions, pretty much controlling the island's import and export trade.

²⁸*Ibid.*, p. 55.

²⁹*Ibid.*, p. 59.

The success of the merchant class was inevitably linked to the sugar industry during the first half of the century. Although the initial outlay of capital required to establish an hacienda was reasonably modest, its survival during the first crucial years before it began to yield profit required large injections of capital and a reliable source of supplies. This necessity, coupled with the difficulty of obtaining cash in the island, forged the strong ties that were to bind the producing and the mercantile sectors. During the early years of bonanza, especially in the 1820's and 30's, high sugar prices ensured the planters generous and easy credit from the merchants. In exchange, the planter agreed to supply the merchant with part of the forthcoming harvest, the proportion usually varying in accordance with the extent of the debt. From the merchant's sale of the debtor's sugar would be extracted a commission (usually 7 per cent) plus an agreed percentage towards the settlement of the account. In this way, planters often ran up large debts with particular merchants. A working relationship based on credit developed between the two yielding strong ties between sugar production and its distribution.

This arrangement worked to the benefit of both parties while the economic climate remained favourable towards sugar, but when in the 1840's the situation took a turn for the worse, it soon became clear which side gained the upper hand. The instability created by a drop in prices forced the merchant to reconsider his terms of credit to the planter. Interest rates were raised in response to the increase in risk. Faced with decreasing income and higher rates of interest, the planter had no choice but to bury his or herself deeper into debt, compromising ever-increasing proportions of the harvest, and agreeing to pay even higher, often illegally extortionate, rates of interest which often averaged as much as 2 per cent per month. In the late 1840's, according to the island's intendente, Miguel López de

Acevedo, out of a total of 534 planters, 300 owed the full value of their property and less than 40 were unencumbered.³⁰ In extreme cases, the creditor might agree to continue to meet the planter's needs under certain stringent conditions, namely that the latter relinquish all control over the marketing of the crop to the merchant; the creditor would then become the hacienda's sole supplier of merchandise, a fact which usually entailed subjecting the planter to monopoly prices; and a high interest rate would of course prevail on the outstanding debt. In its official form, these agreements became known as *contratos de refacción* and they became increasingly prevalent in both Cuba and Puerto Rico as the century wore on. Through these agreements, the merchant became, in fact, though not officially, the owner of the hacienda.³¹

The increasing dependence of the producers on the merchants, soon earned the latter a fair amount of unpopularity which was exacerbated by the ever-growing proportion of Peninsulares amongst the ranks of the merchant class. The situation was not aided by the eagerness of the Spanish officialdom (Peninsulares as well) to defend the interests of the merchant class and turn a blind eye on their misdemeanours, and this friction was to develop into an outright political issue towards the latter years of the century.

Animosity between planters and merchants, however, was by no means unique to Puerto Rico. Indeed, the economic circumstances that begat such ill feelings were quite typical of the sugar industry as a whole, constituting what Scarano has termed a fundamental contradiction of all traditional sugar economies: "despite their widely recognized profitability, they were universally subject to cyclical financial crises which

³⁰*Ibid.*, p. 153.

³¹Scarano, *op. cit.*, p. 159.

sapped the financial vitality of the planter class and jeopardized its autonomy".³² The relationship between the planter and the *correspondente* or *comisário* in the sugar producing regions of North Eastern Brazil, illustrate the producers' dependency on the distributor. "During good years", says Peter Eisenberg, "planters could bear these middlemen's charges. During bad years, however, when planters could not pay their debts with cash, the correspondentes took slaves or mortgages in payment, or refused to furnish supplies." As Pernambuco's sugar industry began to feel the pinch of foreign competition in the 1870's, accusations by debt-ridden planters calling the merchants "usurers", "sharpers" and "social harpies" distinctly multiplied.³³

Even closer to the Puerto Rican experience was that of Cuba where the mercantile community had also fallen largely into the hands of Peninsulares. Interest rates in Cuba were also very high, sometimes reaching 30 and 40 per cent, even though the legal rates stood at 5 to 6 per cent only³⁴, and the planters' accusations of the merchants' usury and of nepotism on the part of the Spanish authorities also gained political force throughout the century. "The merchants", says Moreno Fraginals,

were Spaniards, since the metropolis controlled commerce. Thus the struggle between merchants and producers common to all countries, had a definitive political complection in Cuba --and hence the mutual support between merchants and the metropolitan government with solid interests in common.³⁵

³²*Ibid.*, p. 144.

³³Eisenberg, *op. cit.*, pp. 65-66.

³⁴Moreno, *op. cit.*, p. 29.

³⁵*Ibid.*, p. 48.

Nevertheless, the vulture-like reputation of the merchant-banker was not all the consequence of in-born greed. High interest rates were the natural result of high risk lending, and heavily indebted sugar planters, producing a crop of widely fluctuating prices after 1840, were indeed a high risk investment for the merchants. The element of risk was further increased by legal obstacles which precluded the repossession of sugar plantations by creditors except in extreme circumstances. This law stemmed from a royal decree dating as far back as 1598 when the Sugarmill Privileges (*Privilegio de Ingenios*) were established.³⁶ Originally intended to protect and stimulate the sugar industry in the Spanish Caribbean, the 1598 decree, which applied to Cuba and Santo Domingo as well, indirectly promoted high interest rates in the nineteenth century as the lender had no guarantee of repayment other than the debtor's crop. Given the circumstances, the *refacción* contract often became the creditor's only means of recuperating the large sums invested in a given hacienda. As a result, it became just as frequent for merchants to accuse planters of extravagance, as it was for the latter to accuse the former of usury. In fact, although generally speaking, the planters' financial solidity was undermined by the refacción contract, the agreement allowed them to maintain the standard of living to which they were accustomed. As Francisco Scarano explains:

Though one must be cautious not to generalize from one case to the entire export industry, this inference is in line with the rationale of the *refacción* system devised to stabilize the planters' and merchants' mutual, if sometimes conflicting interests. The merchants benefited from it insofar as the haciendas

³⁶Ely, *op. cit.*, p. 320. Consul Cowper adds as a qualifying fact that these debts were not to exceed two thirds of the total value of the property (see Cowper's report on Puerto Rico for 1862. P.P. July 1862-63).

continued to operate, produce sugar and consume imported supplies and provisions; ultimately all of this hinged on the planters' decision to remain in a business that not only generated wealth (if perhaps in a sharply fluctuating fashion), but provided guaranteed status and prestige as well.³⁷

The Privilegio de Ingenios remained in effect in Puerto Rico until 1852 and the British consuls there often took sides with the merchants in their reports to the Foreign Office in denouncing it as outdated. Consul Cowper described the situation it created in the island as being similar to that of Ireland before the passing of the Encumbered Estates Act.³⁸ This law, passed in 1860, allowed embarrassed Irish landlords to sell estates that had previously been bound up in legal entanglements.³⁹ According to Cowper, in Puerto Rico, as in Ireland, protection of estates from repossession frequently resulted in insolvent proprietors defying their creditors and much land lying to waste.⁴⁰ Ely describes a similar situation in Cuba which was finally checked by a Royal Decree dated 12 April, 1852. This law, which also applied to Puerto Rico, established that new sugar plantations and mills developed after that date would no longer enjoy the privileges of the 1598 decree and it allowed existing estates a generous 13 years to get their affairs in order before they too came to be subject to common law.⁴¹

The average interest rate charged by most merchant-bankers before 1865 (the year the 1852 decree came into

³⁷Scarano, *op. cit.*, p. 159.

³⁸Cowper's report on Puerto Rico for 1862. P.P. July 1862-63.

³⁹Barbara Lewis Solow, *The Land Question in the Irish Economy, 1870-1903*. Cambridge, Harvard University Press, 1971, p. 3.

⁴⁰Cowper's report on Puerto Rico for 1862. P.P. July 1862-63.

⁴¹Ely, *op. cit.*, p. 327

full effect) appears to have been around 1.5 to 2 per cent per month, although Cowper reported in 1864 that money could not be had in the island for less than 3 to 4 per cent a month.⁴² Indeed, he advised any Englishman who wished to try his fortune in Puerto Rico to bring his capital with him from England, "Where he can borrow money for the same rate per year as he could here (in Puerto Rico) per month".⁴³ The rates for 1864 might have been the final rise before the plunge for the information passed on by the vice-consuls of Ponce and Mayagüez after that date seems to denote a tendency for the cost of money to fall. In 1872, Vice-consul Basanta reports from Ponce that money was being made available by private establishments at an average cost of between 1.25 and 1.5 per cent per month, although rates of 2 per cent were still not unusual.⁴⁴ Two years later, Vice-consul Gumbes reports that in Mayagüez, money lenders were discounting more freely and with more confidence than during the previous year⁴⁵, and his report for 1876 states the rate as having scarcely risen over 1 per cent per month all year.⁴⁶

The weakening of the ties with Saint Thomas that was experienced after 1857 could also have contributed indirectly to the gradual lowering of interest rates. As monopolies of distribution via the Danish island were being dissolved, new connections were being established directly with the United States and Europe. These new openings would have given rise to an increase of

⁴²Francis Cowper's report on Puerto Rico for 1864. P.P. 1866, p. 638.

⁴³*Loc. cit.*

⁴⁴Report by Vice-Consul Basanta on the Trade and Commerce of Ponce for the year 1872. P.P. 1873 [C.828] LXV.1, p. 1062.

⁴⁵Report by Vice-Consul Gumbes on the Trade and Commerce of Mayagüez for the Year 1874. P.P. 1875 [C.1238] LXXV.1, p. 866.

⁴⁶Gumbes' report on Mayagüez for 1876. P.P. 1877, p. 1519.

mercantile establishments throughout the island. This indeed was the case, and as will be seen, it was only after the dissolution of the Saint Thomas connection that British merchants began to settle in Puerto Rico. A greater number of merchants meant increased competition, and therefore, a gradual lowering of interest rates.

In 1878, however, a new mortgage law came into effect which again made foreclosure difficult. This law would be described by legislators in Madrid attempting to amend it in 1893 as "overwhelmingly complex" adding that "the uncertainty of success and the incalculable costs, frighten capital or promote usurious conditions".⁴⁷ This might explain why interest rates outside the sugar districts, that is, in the highlands where coffee and subsistence crops were prevalent, were not much more advantageous towards the end of the century than those which had been levied on the investments of sugar planters had been before the Privilegio de Ingenios was abolished. Laird Bergad reports them as averaging between 15 and 25 per cent yearly in the period between 1850 and 1885, and between 18 and 25 per cent during the last years of the century.⁴⁸ The Privilegio, of course, had never had any effect on these areas although the low cost and profitability of the land in the mountainous regions before the 1850's meant that many creditors often extended the period of payment of insolvent landowners rather than repossess the land which had been set as a collateral for cash or merchandise. Naturally, the situation changed drastically in the last quarter of the nineteenth century when the price of land in the interior escalated to unprecedented heights following a comparable rise in the world price of coffee. Merchants were then

⁴⁷Ley hipotecaria para Ultramar, 1893. Madrid: Góngora, 1893, IV-VIII. Quoted from Astrid Cubano, "Sugar Trade and Economic Elites in Puerto Rico: Response to the Sugar Crisis in the Arecibo Region, 1878-1898", *Historia y sociedad*, Vol. II, 1989, pp. 75-76.

⁴⁸Bergad, *Coffee and the Growth of Agrarian Capitalism*, pp. 85 and 159.

far more eager to repossess land, and both land and crops became the subject of ruthless speculation. Bergad notes that before the 1880's it was common to find land transacted directly from buyer to seller, but after that date, most land sales took place via the extension of mortgages by the merchant class. "Thus," says the author, "in an era when banks did not function outside the major cities, merchants continued to occupy roles commonly associated with modern banking institutions." ⁴⁹

But the merchants' importance in nineteenth century financing must not let us disregard their role in marketing and distribution. In the coast, transactions were more direct. Merchants bought the crop, mainly sugar, from the planters and as they were usually importers, took care of its exportation abroad. Export merchants were importers and suppliers of provisions and merchandise of all kinds to the hacendados. In some of the minor ports however, merchants served as middlemen between the producers and the import-export houses located at the nearest major port. The sales of produce from Naguabo, Fajardo and Yabucoa, for example, were usually negotiated via San Juan. This was the case, even more so, of the towns in the interior where often a local merchant bought the produce from the farmer, forwarding it to the merchant of the nearest town who would then arrange its sale with an import-export merchant house in the nearest major port. "Sales" of course were often only the settlement of debts and the system of credit that operated between planter and local merchant could operate all the way down the network to the very importer whose creditors were abroad. In a society where the scarcity of currency was endemic, everybody, from the peasants and labourers to the richest landowners, and sometimes even influential merchants had to rely on credit for conducting business and everyday life.

⁴⁹*Ibid.*, pp. 149-150.

Most of this credit had its ultimate base in London as bills were more often drawn on London than on anywhere else, including New York. In this, Puerto Rico was perfectly in line with the rest of the world: another partner in an international and multilateral trade network which pivoted in London.⁵⁰

In his report for 1868, Consul Cowper described an apparently contradictory situation: all commercial bills, or at least the great majority were being drawn upon England in spite of the fact that imports from Great Britain by then exceeded the value of exports to it. Cowper proceeds to offer an explanation. First of all, the difference between imports from and exports to Great Britain was not as large as might at first appear. Besides the fact that imports tended to be overvalued by customs officials for tariff purposes, while exports were often under-valued by the planters to minimise taxation, there was still a plentiful trade with the British possessions, especially the Canadian provinces, which was entered as a separate item in the official statistics but which undoubtedly had its financial centre in London.⁵¹ Furthermore, the situation with the United States was quite the opposite, as the value of exports to that country was consistently higher than the value of its imports. However, bills were rarely drawn upon the United States to pay for this excess. Instead, the United States merchants often gave their agents in Puerto Rico credit upon London. The merchant or planter (as might be the case) in Puerto Rico would draw upon this credit and remit to the British manufacturer, thus

⁵⁰E.J. Hobsbawm, *op. cit.*, p. 140.

⁵¹Vice-consul Krüg explains in his report on Mayagüez for 1865 that most of the trade from that region with Canada consisted of dry salted codfish or haddock in exchange for sugar and molasses. "Generally, the proceeds of the fish-cargoes are remitted in specie (American Silver) or in bills on London." P.P. 1866, p. 208.

clearing his debts in this indirect way.⁵²

It stands to reason that Puerto Rico would suffer, along with the rest of the world, the consequences of any serious monetary crisis in England. Such was the case in 1866 when London's greatest discount house, Overend and Gurney suddenly collapsed on Friday 11 May (subsequently known as "Black Friday") with liabilities of £18 million.⁵³ Although the consequences of this crisis in Puerto Rico were not as severe as to cause any business failures, it had a detrimental effect on the commercial classes. Cowper explains that the climate of uncertainty caused many European houses to charge very high rates of interest. Even the most legitimate speculations, he adds, were thus reduced to a species of gambling. The large merchants on the island saw it fit to cover their losses by selling their bills on London at exorbitant rates of 8 to 12 per cent above par. This had a very damaging effect on shopkeepers and smaller merchants who were obliged to purchase these bills on the island to pay their accounts in Saint Thomas where the rate of exchange was a good 6 per cent less.⁵⁴

The 1866 crisis, however, soon petered out and a few years later we find the Vice-consul of Ponce describing the credit system through London as perfectly reliable for settling not only British but also American (United States) accounts.

Bills on New York drawn for gold at 60 days are worth about 3 per cent. and are seldom offered. Merchants in America generally extend credits on London in favour of their agents in this place, to be drawn against purchases of produce made

⁵²Report by Mr. Consul Cowper on the Trade and Commerce of the Island of Porto Rico During the Year 1868. P.P. 1868-69 [4110-I-VI] LIX.1, LX.1, 65, 103, 171, 279, 361, pp. 215-216.

⁵³Mathias, *op. cit.*, p. 328.

⁵⁴Cowper's report on Puerto Rico for 1866. P.P. 1867, p. 561.

for their account.⁵⁵

After all, there is no doubt that during most of the nineteenth century, as E.J. Hobsbawm explains, "the threads of the world's web of trading and financial settlements ran through London, because London alone could fill the holes in it."⁵⁶ This applied to Puerto Rico too, as a participant of the international trade network.

3. *British mercantile houses*

From Lindegren's arrival at San Juan in 1844, to the late 1860's, a recurrent complaint is voiced by the British consuls in Puerto Rico: there was not a single British commercial house in the island in spite of all evidence pointing to the fact that the trade between the two countries was healthy and growing.

The first reason put forward for this unusual fact was the official prohibition of Protestants to settle in the island. This was one of the first problems tackled (quite zealously) by Lindegren upon his arrival. Article eight of the Royal Decree of 10 August, 1815, stated clearly that:

All Foreigners belonging to Friendly Powers and Nations who wish to settle or are already settled in the Island of Porto Rico shall prove by corresponding evidence to the Government thereof that they profess the Roman Catholic Religion, and without this indispensable Requisite they will not be permitted to reside there, but my Subjects in these Dominions and those of the Indies shall not be subject to this proof, as no doubt can exist respecting

⁵⁵Basanta's report on Ponce for 1872. P.P. 1873, p. 1062.

⁵⁶Hobsbawm, *op. cit.*, p. 152.

them on this point.⁵⁷

The policy had the full backing of the Church, as can easily be expected. As a result, many English subjects and other Protestants already settled in the island and who wished to remain there, were obliged to go through the motions of changing their religion "without being at all Catholics in their hearts".⁵⁸

Lindegren evidently found this discrimination against Protestants offensive, especially when it involved such added grievances as the ill-treatment of the deceased, who, in direct contravention to Article 35 of the 1667 treaty which entitled all British subjects to a decent burial place, were "taken to a swampy uninhabited island and buried there without any ceremonies whatever".⁵⁹ He went as far as suggesting, in July 1845, that Cuban and Puerto Rican sugars be denied the privilege of the new reduced tariff rates which would be coming into effect in 1846 unless such obnoxious laws against Protestants were once and for all abolished, and this, in spite of the fact that it was: "certainly against my own Interest as the Importation of Porto Rico sugars at the low Duties would be of advantage to me."⁶⁰

But not all was as bleak as Lindegren's outraged exclamations would have us believe. Indeed, the three volumes of correspondence collected by the Foreign Office on the subject of "Domicile and Religion" of British subjects in Puerto Rico and Cuba between 1846 and 1856⁶¹ give us the impression of a much more lax interpretation

⁵⁷P.R.O., F.O. 72/866. Lindegren to Palmerston, 26 July, 1847.

⁵⁸P.R.O., F.O. 72/683. Lindegren to Canning, 25 July, 1845.

⁵⁹*Loc. cit.*

⁶⁰*Loc. cit.*

⁶¹P.R.O., F.O. 72/885. Cuba and Puerto Rico: Domicile and Religion, Vol. 1: 1846-54; F.O. 72/886, Vol. 2: January - July, 1855; F.O. 72/887, Vol. 3: July, 1855 - August, 1856.

of the regulations in Puerto Rico than in Cuba, a situation which would be in agreement with Puerto Rico's policy for development via immigration. This would have predisposed the authorities more favourably towards the immigrant (regardless of religion) than in Cuba where the sugarocracy was mainly composed of creoles who managed throughout the century to retain their political and economic power.⁶² Religion there could be easily used as an obstacle to curb the influx of potential competition.

Already in 1845, Lindegren admits that although foreign immigrants were supposed to swear their Catholic faith in accordance to the 1815 decree, the governor of Puerto Rico, who was a "liberal man", accepted the presentation of a certificate to that effect.⁶³ This could easily be obtained for money in the neighbouring island of Saint Thomas. Even before Lindegren's arrival there is evidence that at least one former governor, Don Miguel López de Baños, had tampered with the acts of domicile, in his case, for personal gain. In 1840, a Royal Committee in charge of investigating the island's condition had found that López de Baños, on his own account, had released an order dated 8 October, 1839, which made it compulsory for all foreign residents to pay 12 pesos for their acts or risk the confiscation of their property and eviction. This order was against the spirit of the 1815 decree which made naturalization a free and voluntary act.⁶⁴ It is also safe to infer that religious differences were easily overlooked in anticipation of revenue.

In May, 1848, the Governor of Puerto Rico, Conde de Reus, issued an order concerning the regulations pertaining the acceptance of foreign immigrants in which all allusions to religion were conspicuous by their

⁶²Bergad, "Dos alas...", pp. 148-149.

⁶³P.R.O., F.O. 72/683. Lindegren to Canning, 25 July, 1845.

⁶⁴Santiago, *op. cit.*, p. 64.

absence. Its introduction is interesting in that it stresses the need for immigrants to further the island's prosperity and is worth quoting at length:

Convinced that the most convenient means of furthering the development of a country are through granting franchise and protection to all individuals wishing to settle there bringing their wealth, industry or any other means of living with them; and equally persuaded that the prosperity and wealth which this island has reached is attributable to a great extent to the Royal Decree of 10 August 1815, through which special graces were granted to foreigners from all parts who came to settle in her and under the protection of which they made their fortunes thus contributing to the general wealth of the country; wishing that this wealth may increase so that in time it may reach the apogee of its prosperity, having a flourishing commerce with all the Markets of Europe and America, good roads that will conduct life and animation to all parts and that the large areas of land which today lie abandoned and uncultivated may be put under cultivation to the benefit and interests of the nation, I have resolved, in agreement with the Superintendent of the Treasury who is moved by the same desires, to allow the following concessions...⁶⁵

The concessions were contained in nine articles as follows:⁶⁶

1. Foreigners were exempted from duties on capital, furniture and machinery.
2. They were granted tax exemption, on both local and royal taxes, for one year upon arrival.

⁶⁵Circular of the Governor of Porto Rico relative to the Admission of Foreigners, dated 12 May, 1848. F.O. 72/866. Lindegren to Palmerston, May 24, 1848. (My translation).

⁶⁶*Loc. cit.*

3. There was a five-year exemption of municipal duties with respect to their town of residence.
4. They were free to move from their homeland to the island provided they presented a certificate of good conduct from the Spanish consul of their homeland. *(Note no mention of the subject of religion).*
5. The foreigner was obliged to register for six months after which he had to apply for a renewal of his permit if he wished to remain in the island.
6. Such request could be made locally, without going to the capital.
7. The number of years required for a resident to become a naturalized citizen was reduced from five to one.
8. All of these measures were to be made applicable to present foreign residents in Puerto Rico.
9. Military commandants, *Alcaldes Mayores*, and magistrates would see to the orderly obedience of these regulations.

It is almost certain that Lindegren's diplomatic relations with the Conde de Reus and the Superintendent of the Treasury, Cerero (which appear to have been quite amicable in spite of the consul's uncompromising position against the slave trade) were influential in the issuing of the 1848 order which so obviously excluded any mention of religion. As Lindegren had informed the Foreign Office in July of the previous year, both men were anxious that all inconveniences to British settlers be removed as they were interested in the prospects of introducing British capital into the island and of the admission of more Puerto Rican sugars into Great Britain. "...They have told me," adds Lindegren, "that they have written home about it."⁶⁷ Indeed, one of the points

⁶⁷P.R.O., F.O. 72/866. Lindegren to Palmerston, 26 July, 1847.

included in Intendente Cerero's proposal for a new Puerto Rican tariff, sent to Madrid in 1846, was the elimination of the requirement of Catholicism to potential settlers in the island.⁶⁸

In his report for 1856, Consul Hunt blamed these laws for the lack of British commercial houses in Puerto Rico⁶⁹ a fact which is unlikely as signs of their relaxation or removal the following year did not result in a flow of British merchants to the island.

Although all the obnoxious laws which were offensive to foreigners have been abolished, and every facility now exists for the establishment of foreign mercantile houses in any part of the island, Puerto Rico alone, probably, of all the places in the world of even one-fourth of its commercial importance, is still without a British firm or branch firm, while the gradual increase of the consumption of manufactures imported direct from Great Britain clearly indicates how much could be done by a mercantile house receiving consignments of well-assorted goods adapted to the necessities of the market.⁷⁰

Hunt's remark concerning the complete abolition of all religiously discriminatory laws was not exactly correct as we have reports in 1863 (from Consul Cowper)⁷¹ and 1865 (from Vice-consul Krüg at Mayagüez)⁷² that the law obliging settlers to be Catholics remained in force. Vice-consul Krüg stated quite openly, however, that religion by then was not really a problem for potential immigrants as the authorities customarily turned a blind

⁶⁸Sonesson, "Puerto Rico's Commerce...", p. 130.

⁶⁹Hunt's report on Puerto Rico for 1856. P.P. 1855-57.

⁷⁰Hunt's report on Puerto Rico for 1857. P.P. 1858-59.

⁷¹Cowper's report on Puerto Rico for 1862. P.P. July 1862-63.

⁷²Krüg's report on Mayagüez for 1865. P.P. 1866, p. 209.

eye as long as the fact was kept quiet, adding, in an outburst of xenophobia that:

The Spaniards, as a class, do not like the foreigner; but if the foreigner has intelligence and money --both of which the Spaniard lacks most-- he is well received and gets along very well.⁷³

After that date, we hear no further complaints or comments concerning religious discrimination. Indeed, the fact that tolerance became the norm is illustrated by the fact that in 1874, Ponce's vice-consul, Basanta, reported on the recent establishment of an English Episcopal Church in that town.⁷⁴ Mayagüez was to follow soon after.

But if religion was never really an insurmountable obstacle to the settlement of British citizens in Puerto Rico, then why, it may be asked, did British mercantile firms appear so uninterested in establishing themselves on the island during these years? As we have seen in the previous chapter, it can hardly be said that the island had little to offer Britain in the way of imports or exports, as the growth of the trade between the two countries after 1846 was unmistakable. In 1860, Consul Hunt at Puerto Rico traded places with H.A. Cowper, consul at Pernambuco. In one of his subsequent reports from his new post, Hunt mentions the fact that there were about 84 commercial houses in Pernambuco, 19 of which were British, whereas in Puerto Rico, where the import/export activity was almost as large, there was not a single British mercantile house. This contrast he put down to "the tendency of trade to run in particular

⁷³*Loc. cit.*

⁷⁴Report by Vice-Consul Basanta on the Trade and Commerce of Ponce for the Year 1874. P.P. 1875 [C.1238] LXXVI.1, p. 809.

grooves".⁷⁵ D.C.M. Platt uses Hunt's report to illustrate the inclination of British exporters during the late nineteenth century to concentrate only on those Latin American ports which were conveniently located on the main trade routes and which could provide the type of products that interested Britain and British capital such as Iquique, Pará and Manaus for Peruvian and Brazilian rubber; Rosario and Bahía Blanca for Argentinian wheat; the nitrate ports of Chile; and Oruro for exports of Bolivian tin. As an example of these facts, however, his choice is severely flawed. First, it would be a matter of debate whether Puerto Rico, located at the very entrance of the Caribbean could seriously be considered "off" anybody's trade route whose intention it was to do business with Latin America, especially once steam navigation got under way. Secondly, and somewhat more obviously, while Platt wishes to point out a tendency that might have developed after the 1880's, Hunt's comments stem from the early 1860's, at a time when British imports of Cuban and Puerto Rican sugar were at their very peak.

A plausible explanation for the absence of British mercantile houses from Puerto Rico during the first half of the nineteenth century is more likely to be found in the peculiar history of the development of the island's legal trade. Platt stresses the fact that the surge of British merchants to Latin America, and the tales of the instant fortunes that could be acquired there were pretty much over by the mid 1820's when a combination of financial crises, increased competition and a glut of British products in the Latin American markets encouraged British businessmen to "turn inwards on themselves, putting their money into home markets and investments or into the more familiar overseas markets of Europe, the

⁷⁵Hunt's Report on Pernambuco. P.P. 1865, LIII.356, quoted from Platt, *op. cit.*, pp. 120-121.

Colonies or the United States."⁷⁶ If this was the case, then this original outburst of British entrepreneurship certainly passed Puerto Rico by. Before the 1820's the island hardly had a sugar industry to speak of and its purchasing power was consequently quite low. Furthermore, although restrictions concerning the immigration of foreigners had lost a considerable amount of their stringency, their liberalization was not officially reiterated until the passing of the 1815 decree.

As the island continued to develop, during the 1820's and 1830's, Britain's interest in Puerto Rico's sugar remained limited and, although the island's prospects as a consumer of British goods increased significantly, any exchange between the two countries was taken care of by mercantile houses in Saint Thomas whose virtual monopoly of Puerto Rico's foreign trade, especially with Europe, pretty much precluded any direct commercial relations.

During the 1860's, however, when Saint Thomas began to loosen its grasp on Puerto Rico's commerce, we have news, via Consul Cowper that all of the island's direct trade with Britain was being handled via a San Juan-based company of the name Latimer & Co., although Mr. Latimer himself was not British but American (U.S.). Of course, we cannot be sure that all of the British trade was handled through Messrs. Latimer and Company; it is more likely that a large part of it was handled by this company rather than its totality.

Mr. Latimer was indeed very prominent in Puerto Rico's business scene at the time. He was born in Philadelphia and had moved to Puerto Rico from Saint Thomas in 1833. He had been United States Consul at Mayagüez for a while but moved to the capital in 1842 or 1843 where he soon came to dominate the city's trade with

⁷⁶Platt, *op. cit.*, p. 52.

Philadelphia and Baltimore.⁷⁷ Latimer took an early interest in the island's sugar industry which resulted in his acquisition of Hacienda San Isidro in Loíza in 1853. By 1871, he owned more than 2,000 cuerdas in that area.⁷⁸

A.A. Ramos describes him as "the perfect example of the merchant-banker-hacendado who dominated the sugar industry for most of the latter part of the nineteenth century in Puerto Rico."⁷⁹ He was certainly a trustworthy merchant. In 1848 he was asked to organise the purchase of chandeliers from New York for none other than the new ballroom (*salón de corte*) of the Governor's own residence.⁸⁰ But his business transactions were not limited to the United States. He appears to have had especially close ties with London whereby it is not surprising to find his company approach the governor in 1850 on behalf of the British steamer "Merlin" asking for lower port charges to be granted to the ship so that it may include San Juan as one of its ports of call between New York and Saint Thomas.⁸¹ He also dealt frequently with the London-based Colonial Company Limited, through which he imported large quantities of dry provisions which he sold wholesale in Puerto Rico charging a commission. In 1873, for example, he received an order of dry goods from London worth in excess of 26,000 pesos which he then forwarded to a San Juan merchant firm, Girona, Guillermety & Cía. at 2.5 per cent commission. Another English company to do extensive business with

⁷⁷Sonesson, "Puerto Rico's Commerce...", p. ???

⁷⁸Ramos, "The Influence of Mechanization...", pp. 138-139.

⁷⁹*Ibid.*, p. 139.

⁸⁰Archivo General de Puerto Rico (henceforth A.G.P.R.), Gobernadores Españoles, Records Relating to Fiscal Affairs; Asuntos de Hacienda, 1847-56, Caja 206, 1848.

⁸¹A.G.P.R., Gobernadores Españoles, Fomento y Comercio, Caja 323, 1850-52. The petition was granted by the local authorities but later repealed by Madrid.

Latimer was F. Huth of London.⁸²

But Latimer's successful dealings with London did not, in the eyes of the British consul Cowper, conceal the inexcusable fact that still, in 1869, there were no British merchants to conduct the island's "immense British commerce".⁸³ He found it

a remarkable question for solution, why the same energy which will take them [British merchants] to the most arid, unhealthy, and poverty-stricken places, in search of 'an opening' should disappear, when such a field as Porto Rico, with its 700,000 inhabitants, its comparative healthiness, and its 5,000,000 l. of foreign commerce, and twice as much internal trade, offers itself to their enterprise.⁸⁴

Consul Cowper's complaints did not fall on deaf ears for we have news in the early 1870's of a British commercial house, Lamb, Storer and Gad, in San Juan, engaging in the general import and export business and lending money to hacendados, especially near the capital and in Ponce.⁸⁵

Another company, Crosas and Finlay, also based in San Juan, almost certainly commenced operations in the 1870's with at least one of its partners, George Finlay, being of British birth. In a letter dated 19 June, 1885, to the Foreign Office, Mr. Finlay, then Vice-consul of San Juan, wishing to clear his name after being "accused" by the late British vice-consul of Ponce, Mr. Gibbons, of owning nothing but a cooperage, described the real nature

⁸²Ramos, "The Influence of Mechanization...", p. 139 and p. ???, footnote no. 279.

⁸³Cowper's report on Puerto Rico for 1868. P.P. 1868-69, p. 215.

⁸⁴*Loc. cit.*

⁸⁵Ramos, "The Influence of Mechanization...", pp. 113-114 and pp. 144-145.

of his business:

Our principal part of business is commission; and the produce of the country is what we mostly deal in...we have a cooerage establishment as a necessary adjunct to our business requiring some when making our shipments, and we also keep a stock of our Sugar Estates stores to supply our different planters with whom we are in connection⁸⁶

He further stated that he had been a resident in Puerto Rico for over 20 years and enclosed a business card in which Crósas and Finlay are described as "shipping and commission merchants" with headquarters at San Juan, Porto Rico, W.I. Mr. Finlay's connections in London must have been strong, as an unsigned internal Foreign Office memo dated 11 August, 1885, described him as having been strongly recommended by leading merchants in London for the post of vice-consul at San Juan⁸⁷.

George Finlay had actually joined forces with Lamb in the cultivation of Hacienda "Victoria" in 1873. In 1887, this establishment was turned into a central known as "Progreso". When "Progreso" was repossessed by its creditors, Barnes of London, the following year, the title deed was handed over to the Puerto Rico Sugar Factory Limited, a London-based corporation sponsored by Barnes with a capital stock of 150,000 pesos. In Puerto Rico, the company was represented by a management committee which included George Finlay and his brother John.⁸⁸

Lamb and Co., and Crósas and Finlay were two British (or part-British) merchant houses which established

⁸⁶F.O. 72/1718, 1885. George Finlay to the Secretary of State for the Foreign Office. 19 June, 1885.

⁸⁷F.O. 72/1718, 1885. Internal Memo, Foreign Office, unsigned. August 11, 1885.

⁸⁸Ramos, "The Influence of Mechanization...", pp. 145-147.

themselves in Puerto Rico around the 1870's although it is possible that other British firms might have opened branches in the island after that date.

In 1883 and 1884, there are news of two more British merchants, with residence outside the capital. In a dispatch to the Earl of Granville dated 28 February, 1883, Consul Stevens recommended a Mr. Hugh Campbell Forfar for the post of Vice-consul at Ponce after Charles Gibbons' resignation. He described Mr. Forfar as "A very respectable English gentleman established at Ponce as a Merchant and Agent for the Atlas Co. Line of Steamers."⁸⁹ The following year, Acting-consul Finlay would recommend another "respectable English Gentleman", Mr. William Haddock, for the post of Vice-consul at Naguabo, further describing him as a "very respectable merchant".⁹⁰ However, no other details are offered as to Forfar or Haddock's commercial activities and it is not possible to determine whether they were merely consignees to larger, perhaps local firms, or whether they owned commercial establishments of any worth in their areas of residence.

It is interesting to note that in spite of Platt's claim that the island was off the main trading routes, and his further statement that decreasing British interest in Latin America throughout the nineteenth century can be inferred from a tendency for British mercantile houses to withdraw from Latin American cities in the latter years of the century, we see British interest in Puerto Rico's trade *growing*, not decreasing, as the century progressed. Vera Cruz (Mexico), having counted eight British mercantile branch firms in the 1820's, ended the century with none. Cartagena (Colombia) equally lost all four of its British

⁸⁹P.R.O., F.O. 72/1658. Stevens to the Earl of Granville, 28 February, 1883.

⁹⁰P.R.O., F.O. 72/1691. Finlay to the Foreign Office, 23 September, 1884.

establishments.⁹¹ San Juan, having started with none, had at least two British firms dealing in business with that country as the century drew to a close.

4. Banks

The lack of banks until the last quarter of the nineteenth century perforce lent strength to the merchant-banker class, although it can equally be argued that the merchant-bankers were instrumental, through successful lobbying of government institutions, in delaying the development of banks in Puerto Rico.

One of the earliest recorded attempts at establishing a bank in the island was that of the English Colonial Bank, an institution with London headquarters and branches in the British West Indies and British Guyana. After 1851, it began to attempt expanding into the non-British Caribbean by approaching the authorities of Puerto Rico and Saint Thomas for permission to operate a branch in their territories.⁹²

The English Colonial Bank did open a branch in San Juan and, although the exact dates are not clear, it appears to have been operational between 1838 and 1842. Details on its short lifespan are few and contradictory but it was obviously not a successful enterprise. The Spanish government expressly forbade it to print notes and in 1841, its director, Richard Daniel Jacobs was asked by the governor of Puerto Rico, Méndez Vigo, to leave the island on the grounds that his act of domicile had been incorrectly or illegally granted by Governor López de Baños.⁹³ Twenty years later, reporting on the lack of banks in Puerto Rico, Consul Cowper mentions the

⁹¹Platt, *op. cit.*, pp. 41-42 and p. 137.

⁹²Santiago, *op. cit.*, p. 59.

⁹³*Ibid.*, pp. 61-65.

English Colonial Bank as having been "damaged badly" during its sort stay in San Juan.⁹⁴

The unsuccessful attempt of this English bank to open a branch in Puerto Rico is significant in that it points to an early interest in the island on the part of the British business community operating in the West Indies. Otherwise, it was but one of many attempts to establish commercial banks or credit institutions in Puerto Rico to regulate credit and financing which, not surprisingly, given the economic climate at the time, did not see fruition until the opening of the *Sociedad Anónima de Crédito Mercantil* (Mercantile Credit Association) in 1877. The first proper bank in Puerto Rico did not open its doors until 1890.

In her book *Crédito, moneda y bancos en el Puerto Rico del Siglo XIX*, Annie Santiago de Curet has documented about two dozen failed attempts at establishing a commercial bank in Puerto Rico between 1814 and 1887.⁹⁵ Petitions were made and plans drafted by public and private, home-based and foreign entities. Santiago concludes that the main reason for this delay rests in the fact that the island's economic activity during most of the century was relatively small. Specialised financial institutions capable of channelling financial resources by providing credit, she tells us, require a more ample market to maintain their economic viability.⁹⁶ It is difficult to accept that Puerto Rico, which in the 1870's and 1880's had a yearly volume of trade consistently over 7 million pesos can be qualified as not having developed enough economic activity to merit the opening of a bank. Furthermore, this does not explain why the city of Havana where commercial activity was anything but modest, lacked any commercial banks

⁹⁴Cowper's report on Puerto Rico for 1862. P.P. July 1862-63.

⁹⁵See Santiago, *op. cit.*, chapters III and IV.

⁹⁶*Ibid.*, p. 183.

until the second half of the nineteenth century. Henry Tudor, an English traveller, passing through Havana in the 1830's felt obliged to comment on this extraordinary situation:

Not a single banker can be found in this very commercial city in whose port enter every year between one and two thousand merchant ships, and where its inhabitants, including suburbs and temporary residents, number almost 150,000. How the immense commercial traffic that takes place in Havana is conducted is something that is only understood by those who partake in it.⁹⁷

In Puerto Rico, the profitability of establishing a bank can be inferred from the numerous petitions and proposals that were raised to this effect throughout the century. The fact that they were often quashed by Madrid or buried under an endless chain of red tape and bureaucracy seems to point to reasons more political than commercial in which the interests of the influential Peninsular merchant class in Puerto Rico were prominent. Indeed, along with the tardiness surrounding the opening of British commercial houses in Puerto Rico, one of the most frequent sources of exasperation expressed by the British consuls was the island's lack of that "most needed institution": a bank. In 1863, reporting on one of the many failed projects, this time proposed by the Governor himself, Consul Cowper mentioned the establishment of a bank in the island as one of the "greatest boons that could be conferred upon the commercial and agricultural bodies" in Puerto Rico.⁹⁸ The following year he mentions the lack of a bank as still being "sorely felt" in the island and greatly

⁹⁷Henry Tudor, *Narrative of a Tour in North America*. London, 1834, Vol. II, p. 111, quoted from Ely, *op. cit.*, p. 303. (Translated into Spanish by Ely and back into English by myself.)

⁹⁸Cowper's report on Puerto Rico, P.P. July 1862-63.

retarding agriculture due to the difficulty of obtaining credit at less than 2 per cent a month interest rate.⁹⁹

The sequence of events leading up to the eventual establishment of a commercial bank in Puerto Rico forms the bulk of the above mentioned work by Santiago de Curet.¹⁰⁰ The first one of these was the *Banco Español de Puerto Rico* which opened its doors to the public in San Juan, in January 1890 after much delay caused by the island's uncertain currency situation. Initially, the bank was only allowed to do business in Spanish money, a paradoxical situation as, at the time, the Mexican peso was still the unit of currency in common use in the island. Eventually, it was allowed to accept the Mexican currency at a discount and the British consuls described it as doing a profitable, even flourishing business throughout the 1890's. Its establishment was followed in 1894 by the *Banco Territorial y Agrícola* and the *Banco Popular*, both in San Juan, and the *Banco de Crédito y Ahorro Ponceño* in the southern district of Ponce. The Banco Español, however, remained the main bank in the island being the one institution used by the government in transactions such as the collection of the Mexican currency in 1895 and gaining the contract for the collection of taxes throughout the island in 1893 in exchange for tax exemption. None of these banking institutions are reported to have been involved directly in foreign trade, probably due to the instabilities of foreign exchange rates due to the rapid depreciation of local currency at the time.

⁹⁹Report by Mr. Consul Cowper on the Trade of the Island of Puerto Rico for the Year 1863. P.P. 1863-64, 1864 [3393] LXI.1.

¹⁰⁰See Santiago, *op. cit.*, chapters III-VI.

CHAPTER 2. TAXES ON TRADE IN NINETEENTH CENTURY PUERTO RICO

1. The tariff

When Puerto Rico emerged from three centuries of oblivion during the late years of the eighteenth century, it found itself the object of Spain's interest in a very similar way to that experienced by the British West Indies a century before. Spain's role as a colonial power until then had been characterised more by its interest in short-term exploitation than in long-term development. Extraction, especially of mineral wealth, had received precedence over agricultural or industrial production. To a large extent this explains why the Caribbean, as a rule, lost its appeal to the mother country as soon as its rivers had been washed clean of the small quantities of gold they had once contained. Spanish adventurers then turned their attention to more profitable areas and, as a result, the islands were largely abandoned. They remained important to the Spanish Empire only as military outposts.

This continued to be the case until the second half of the eighteenth century when the Spanish West Indies experienced a dramatic change in colonial policy. The new line of thinking, which finally matured in Puerto Rico with the passing of the 1815 Royal Decree, saw the islands as colonies in the more modern, long term, sense of the word. They were to be developed so that they might provide the metropolis with tropical goods and engage in trade with foreign nations. Foreign trade

would bring more wealth into the islands, not only to the producers, but also, and more importantly, to the customs houses and hence to Spanish coffers. But the right balance had to be struck. The colonies were to be developed for the metropolis' sake, not for their own well-being. It was important to encourage foreign trade for revenue, but this trade must not be allowed to compete with Spanish imports. Nor was it advisable to allow the colonies to develop any industries that might rival Spain's own. Where colonial produce was in a position to compete with Peninsular interests, as became the case with Caribbean sugar for the Andalusian producers, its introduction into the Peninsula would be heavily taxed. It was important at all times to favour Spanish shipping and Spanish merchants as much as possible. Each one of these interests was reflected in the tariff policy that prevailed in Puerto Rico and Cuba during the nineteenth century.

In Puerto Rico, the original *Cédula de Gracias* had declared all trade with Spain duty free. Foreign trade, if conducted in Spanish ships would be charged a 3 per cent *ad valorem* duty both for imports and for exports; 6 per cent if conducted in foreign ships.

The governor and intendente of the island soon made a few alterations. Regional trade with the Lesser Antilles, when conducted in local vessels continued to pay the 3 per cent *ad valorem* tax on exports only. Imports were charged at 12 per cent if these were manufactured goods, and 8 percent if provisions. Imports in foreign vessels were charged 15 per cent for manufactures and 10 per cent for provisions, except flour, which was always taxed at 2 pesos per barrel. Foreign exports destined to ports other than those of the Lesser Antilles were charged 5 per cent.¹

¹Sonesson, "Puerto Rico's Commerce", pp. 36-38. (Note on sources: For information on Puerto Rico's tariff structure before 1851, Birgit Sonesson's "Puerto Rico's Commerce..." remains the best, and pretty much the only printed source. Sonesson dedicates two chapters of her

In the 1820's and 30's, Spain found it necessary to find new revenue sources to fill the gap left by the loss of economic support from its former colonies. In the mid 1830's, the Spanish liberal government found itself in the paradoxical situation of wanting to encourage Puerto Rico's direct foreign trade to raise money through customs, but knowing that the introduction of a more liberal tariff would mean having to endure a time lag until the policy saw its eventual fruition. Production had to be given time to expand and in the meantime, the government needed funds to pay for the war against the Carlists.² Long term expectations were therefore in contradiction with short term needs. The interests of various groups, producers, merchants and shippers, in Puerto Rico and the Peninsula, went into play and the result was the drafting of the island's first general tariff in 1834.

The power of the San Juan merchants was evinced in that they actually took the initiative in designing the new tariff. In the group responsible for its composition, there were no re-exporters although these tended to share the interests of the producers who were represented by one planter and one planter-merchant. Four of the members were involved in the Saint Thomas trade. The customs administrator, the municipal council's prosecutor and a liberal intellectual representing the *Sociedad Económica Amigos del País* were also involved in the preparation of this document.

This tariff was basically protectionist, designed to

thesis to a very thorough and intensely researched account of the elements leading to the drafting of the island's tariffs and their subsequent modifications. Information of the Cédula de Gracias and on Puerto Rico's first general tariff is presented, in the context of this essay, as the background leading to the 1851 tariff which was in force during most of the period under consideration. On this later tariff, and specifically on its effects on the island's trade with Britain, I hope to expand with the aid of primary sources; but given the lack of alternative sources and the high quality of Sonesson's work, I will refer to it frequently when considering the earlier tariffs.)

²*Ibid.*, pp. 79-81.

favour Spanish imports and Spanish shipping even more than the *Cédula de Gracias*. All Spanish imports arriving in Puerto Rico under Spanish flag paid 6 per cent of a fixed value calculated in accordance to prices current in Puerto Rico at the time. Foreign goods in Spanish vessels from foreign ports and Spanish goods in foreign vessels from Spanish ports paid 12 per cent. Finally, foreign goods in foreign vessels from foreign ports bore the highest rate at 18 per cent. The export duty to foreign ports remained at 5 per cent, and that to Cuba was set at 3 per cent, but exports to the Peninsula were now charged a 1 per cent duty. A significant concession to Puerto Rico's dependence on Saint Thomas was evinced by the granting of Spanish flag privileges on imports arriving via the Danish island.

A drop in exports caused by a severe hurricane the following year resulted in a decrease in revenue, and the intendant, Manuel López, responded by raising all import duties by 2 per cent except those levied on Spanish goods in Spanish vessels. Several of the fixed values were also raised although a very small amount was lowered, and vessels arriving from Saint Thomas were stripped of their privileges of Spanish flag rates. Thus the tariff of 1834/6 took on its final structure.

This tariff was not universally accepted and brought protests from several sectors of society, mainly from the planters who resented the protection that the merchants' interests were receiving to their detriment, especially in the case of a new duty imposed on the importation of slaves. At length, it was also contested by Madrid, who refused to approve it on the grounds that it was not sufficiently protective of Spanish commerce and that its authors had not followed the guidelines submitted by the *Junta de Aranceles* for its preparation. Nevertheless, the internal competition of interest groups in the island, changes in the political regime in Spain, and the priority given to the drafting of a new tariff for Cuba,

all combined to allow the 1834/6 tariff to remain in force in the island, with a few minor amendments, until 1851. This was also the tariff in force when Lindegren arrived in the island in 1844.³

The tariff that came into effect in 1851 is of particular interest in the context of this essay in that, although frequently amended, it remained valid throughout the rest of the century, and as such, was the one which affected trade relations with Britain to the greatest extent. This set of regulations was itself an amendment of a tariff proposed by Nestora, the official in charge of Puerto Rican affairs in Madrid, in 1847. The document followed the format of the Cuban tariff although fixed rates had been adjusted to agree with prices current in Puerto Rico at the time. It had received immediate approval by the colonial administration in Madrid and arrived in Puerto Rico in September 1849 where some of its items were strongly contested. After much consideration, several amendments were made and this package went into effect in 1 November, 1851.⁴ An important new clause was introduced in 1856 favouring direct foreign imports with a 6 per cent differential. Other modifications were made at several stages, but the basic structure of this tariff was to remain consistent until the end of the century and was described by Consul Bidwell in a special report to the Foreign Office dated 23 March, 1878, which began with the following statement:

It would not be easy to imagine anything in the form of a published tariff more complicated or difficult to make practical use of than the tariff of Puerto Rico, and my colleagues, long established merchants and shipping clerks, to whom I have applied for particulars on the subject all replied to the same effect, namely, that the tariff would appear to have been

³*Ibid.*, pp. 87-91.

⁴*Ibid.*, pp. 143-170.

framed and modified so as not to be understood.⁵

Bidwell's description of the tariff soon reveals the reasons for these complaints and in truth it is difficult at times not to agree with him.

Import duties were levied on an *ad valorem* system. Each item of merchandise was specified in detail in the tariff. The original had quoted approximately 4,000 articles, and as new items were introduced, their valuations were added in an appendix. In 1873, Consul Cowper described this document as consisting of 136 pages of closely printed foolscap. The first fifty pages referred to the regulations of customs and consisted of 16 chapters and 339 articles. These were followed by the "regulations for the guidance of captains and supercargoes", and finally, the list of merchandise subject to import duties which detailed 3,754 articles in 84 closely printed pages. The last two pages detailed the export duties on 80 articles.⁶

In 1881, attempts were made to simplify the tariff, reducing the 3,754 headings (which by then included a supplement of 533 items) to only 219. Acting-consul Gibbons reported however that duties would be charged not only on the specific articles but also on the cases or packages in which they were contained. One duty, for example, would be charged on beer, and an additional one, on the bottles in which it was contained.

The new tariff of 1881 was in reality only an amended version of the 1851 tariff which altered the charges on specific items with the obvious intention of favouring Spanish textiles.⁷ In spite of its attempts at

⁵Bidwell's report on the tariff of Puerto Rico. P.P. 1878, p. 1292.

⁶Report by Consul Cowper on the Trade and Commerce of Puerto Rico for 1873. P.P. 1874 [C.912] LXVIII.347, p. 37.

⁷P.R.O., F.O. 72/1608. Gibbons to Granville, 22 June, 1881.

simplification, by 1882, the tariff had grown to a quarto volume of 250 pages, and Consul Stevens felt compelled to note that a similar tariff for the Bahamas, a copy of which the British governor of those islands had recently sent to him, was a mere seven foolscap pages long, adding that the Puerto Rican tariff and regulations were so complicated that "even the Custom-house officers themselves often find it difficult to elicit their meaning."⁸

Custom duties on imports were classed under three major categories as follows: duties on foreign goods from foreign countries; duties on Spanish goods; and duties on goods coming direct from country of origin or production.

These were subdivided into several categories and charged accordingly depending on the nationality of the vessel in which they were introduced as follows:

1. Duties on foreign goods from foreign countries:

- a) under foreign flag.....29%
- b) under Spanish flag.....20%
- c) if from Spain, under foreign flag.....12%
- d) if from Spain, under Spanish flag.....7%

2. Duties on Spanish goods:

- e) under foreign flag.....12%
- f) under Spanish flag.....7%

3. Duties on goods coming direct from country of origin or production:

- g) if Spanish under Spanish flag.....7%
- h) if Spanish under foreign flag.....12%
- i) if foreign under Spanish flag.....14%
- j) if foreign under foreign flag.....23%

As Bidwell points out, and is quite evident in itself, several of these categories actually overlapped. Categories (e) and (f), corresponding to Spanish goods

⁸Stevens' report on Puerto Rico for 1882. P.P. 1884, p. 134.

were identical to categories (h) and (g) respectively and the charges were therefore also identical. The duties under the third scale specified that these rates applied to merchandise imported direct from the country of origin, but as the rates were the same as those of the second scale which simply stated that the goods had to be Spanish to be entitled to those rates, then categories (g) and (h) of the third scale are actually redundant.

So, in fact, the categories could have been neatly reduced to four, with a distinction as to whether or not they were imported in Spanish ships:

1. Spanish goods were always the cheapest whether they arrived directly from Spanish ports or not. They paid only 7 per cent duty if introduced in Spanish vessels and 12 per cent if the vessel was foreign.

2. Foreign goods imported from Spanish ports or, in other words, re-exports via Spain, paid the same rates as Spanish goods.

3. Foreign goods imported directly from the country in which they were produced paid 14 per cent if introduced in Spanish ships and 23 per cent otherwise.

4. Foreign goods imported from a country other than that in which they were produced paid the highest rates: 20 per cent in Spanish ships and 29 per cent in foreign vessels.

It is easy to see why Consul Bidwell could not help himself from commenting at a point in his report on the tariff: "This is all very confusing". He gives the following example based on the importation of one quintal of rice, valued, according to the tariff, at \$4.50. If the rice were to be Spanish, it would pay 35 cents if introduced in a Spanish ship, and 58 cents if the ship were foreign. If the rice were Indian, for example, but imported via Spain, the same duties would apply. If the rice were Indian and imported directly from India to Puerto Rico in a Spanish vessel, the rate would be 68 cents, but if the vessel was, say, British, the duty

would increase to \$1.10. If the same Indian rice left London in a Spanish ship, it would pay 96 cents on arrival at Puerto Rico; but if it left London in an English ship then the highest tariff of \$1.39 would be charged. In the above case, all charges coincided with the standard tariff. But there were also exceptions, as Bidwell proceeded to reveal. He offered as an example the duties levied on a particular type of iron work which the tariff valued at \$8.00 per quintal. If the said article were foreign and imported in a foreign ship, it would pay a 29 per cent duty as expected. If it were foreign but introduced in a Spanish ship, the rate of 7 per cent did not apply. Instead, this article would be charged 20 per cent, according to Bidwell. If it was Spanish but arrived in a foreign vessel, a rate of 15 per cent (not 12 per cent) was charged, but if the ship was Spanish, then the duty raised was 7 per cent.

This points to the fact that the tariff was not only complicated to decipher but largely inconsistent. However, its intentions, once unravelled, are quite clear. These were basically threefold:

1. to favour Spanish imports
2. to favour Spanish shipping
3. to promote direct imports

and the stress was laid in that order. For example: it was more important to favour Spanish shipping than it was to promote direct trade and this was evident in the fact that foreign goods coming directly from their country of origin were normally charged 23 per cent if introduced in foreign ships, whereas foreign re-exports were only charged 20 per cent if these arrived at Puerto Rico in Spanish vessels.

Originally, the 1851 tariff had attempted to promote direct trade by imposing a 2.5 per cent surcharge on indirect imports. It had also attempted to favour planters by removing all export duties.

The idea, as Consul Hunt explained in 1856, had been

to release the island from the commercial dominance of Saint Thomas, promoting instead an international and multilateral trade which would yield larger revenues at customs. However, as Hunt realised, this would not be easy as so many traders in Puerto Rico were debtors to those in Saint Thomas, making it especially difficult for them to sever their ties with the Danish island.⁹ There were also diplomatic considerations to be taken into account. In March, 1854, those merchants who favoured direct trade as opposed to trade via Saint Thomas, petitioned the government to raise the 2.5 per cent extra duty on indirect trade claiming that this differential was not enough to cover higher costs of transport, freight, insurance and commission on European goods. The Captain-General was ready to agree, hoping to bring in this way, some extra revenue to help cover the treasury's deficit, but he was fearful of Denmark's reaction to this measure. Spain had become worried that, if the Saint Thomas business community became discouraged as a result of Spanish punitive laws, the Danes might be tempted to sell the island to the United States, whose growing importance in the Caribbean was perceived as a constant menace by Spain. The differential on indirect imports was therefore not increased although the charge on direct exports was lowered by 6 per cent, therefore reaching the same effect without too obviously upsetting the Danes. "It was hoped", says Barbara Sonesson, "that this would encourage vessels to sail directly to San Juan instead of unloading at Saint Thomas and then continuing in ballast to Puerto Rico to pick up produce." The San Juan depot would serve as a bonded warehouse where retailers could supply themselves instead of going to Saint Thomas. The importer in Puerto Rico would then profit on both incoming and outgoing transactions and the opportunity for capital accumulation would increase. Of

⁹Hunt's report on Puerto Rico for 1856. P.P. 1855-57.

course, at least initially, this meant reduced customs revenue, and an element of risk, as credit had to be arranged directly overseas where Puerto Rico was still not well-known, since local capital was still insufficient for investments in warehoused goods. But, on the whole, the long-term fruits seemed to merit the step. On 5 March, 1856, the 6 per cent reduction on direct imports recommended by the Captain-General was accepted in Spain and went into effect a month later. The 2.5 per cent surcharge on indirect imports remained in effect. The tariff commission in Spain also took the opportunity of looking into the whole 1851 tariff and updating it, adding new categories of goods to the list of imports.¹⁰

In 1857, after pressure from Denmark, the 2.5 per cent surcharge on indirect trade was removed. This charge had naturally been mainly detrimental to Saint Thomas. Its elimination, however, had certain provisos: should a ship bound for Puerto Rico need to stop at any other port, its bulk should not be broken; the vessel should arrive at Puerto Rico with the whole cargo as originally shipped; this fact should be signed and sealed by the Spanish consul at the port of departure and, if no consul was available, a certificate from two local merchants should be produced.¹¹ The lower rates favouring direct imports were however retained.¹²

The results of the preferential treatment for direct imports were immediately felt in the island. In the first year of their implementation, Consul Hunt already noted that two or three cargoes had arrived to Puerto Rico directly from England whereas before, direct trade between both countries had been practically unheard of. He confirms the fact that up to then, the majority of

¹⁰Sonesson, "Puerto Rico's Commerce...", pp. 167-170.

¹¹Hunt's report on Puerto Rico for 1857. P.P. 1858-59.

¹²Sonesson, "Puerto Rico's Commerce...", pp. 167-173.

British manufactures were imported via Saint Thomas, therefore increasing the cost to the purchaser and checking consumption.¹³

The new tariff's success in stimulating direct trade obviously also affected the Saint Thomas exchange. As the decade of the 1860's progressed, the Saint Thomas merchants began to feel the pressure of the loss of the trade they had for so long and so efficiently dominated. In 1861, Denmark petitioned Spain to allow Saint Thomas imports to enter Puerto Rico under national flag privileges. The petition was denied but the following year, similar considerations to those of 1857 prompted Spain to make certain concessions.¹⁴ According to Consul Cowper, starting that year, all vessels arriving at Puerto Rican ports via Saint Thomas would be considered as having arrived direct from their port of departure.¹⁵ This meant, somewhat ironically, that the Saint Thomas trade was allowed to participate in the 6 per cent reduction which had been introduced six years earlier specifically to undermine it. But already in 1862, the benefits of direct trade were becoming evident to the merchants of Puerto Rico and the importance of Saint Thomas had been seriously undermined by five years of encouraging direct trade. Saint Thomas did not disappear entirely as a commercial influence on the larger island but its importance decreased progressively as the century advanced and eventually reached quite insignificant proportions. In 1917, the United States purchased Saint Thomas, together with the tiny islands of Saint Croix and Saint John from the government of Denmark.

In 1867 the tariff suffered a major alteration as a result of a natural disaster. On 29 October that year, the hurricane "San Narciso" hit the island. According to

¹³Hunt's report on Puerto Rico for 1857. P.P. 1858-59

¹⁴Sonesson, "Puerto Rico's Commerce...", p. 173.

¹⁵Cowper's report on Puerto Rico for 1862. P.P. 1862-63.

Acting-Consul Francis Cowper, the consul's son, "San Narciso" was the most severe hurricane ever known in the island. It affected especially the eastern coast of Puerto Rico. In the districts of Fajardo, Naguabo and Humacao, countless buildings were swept away, 25,000 coconut trees were flattened, floods carried away people and cattle and the grain and fruit crop was totally destroyed.

The island had hardly recovered from the shock when on 18 November, it suffered a severe earthquake which caused considerable damage in the capital, provinces and estates. In his report dated 1 June, 1869, Francis Cowper informed the Foreign Office that secondary tremors were still being felt although the panic had subsided and, at least in San Juan, business had resumed its normal course.

As a result of these calamities, there was a sudden abundance of jobs. Agricultural labourers were needed to re-adjust the fields, mechanics, bricklayers and carpenters got busy in the task of reconstruction. In fact, if we are to believe Francis Cowper, jobs were so plentiful that the labourers:

not only demanded exorbitant wages, but refused to work more than four days a week for four hours a day; indeed as one told me, 'God Almighty sent the hurricanes and earthquakes for the benefit of the poor workman', and they certainly took advantage of the dispensation.

Francis Cowper concluded quite indignantly that the real sufferers were actually the proprietors, adding that the charitable aid which had recently been arriving from England and elsewhere to help the labourers was quite unnecessary.¹⁶

The new Captain-General, Paria y Lucy, thought

¹⁶Francis Cowper's report on Puerto Rico for 1867. P.P. 1868-69, p.608.

differently. On 4 February, 1868, he declared a long list of articles duty free by means of a Royal Decree. His intention was specifically to help alleviate the situation amongst the general population owing to the natural disasters just experienced. These articles, detailed below in Table 53, were to be allowed into the country free of duty without any restriction whatsoever as to country of origin, and furthermore, if any amendment was to be made, this would require eight months notice.

This list of articles proves that the Governor's intentions were to promote the well-being of the population by making their basic, every-day provisions more accessible, and to aid the reconstruction of property damaged by the hurricane and the earthquake through lower prices on building materials. Agricultural machinery had remained duty free since the introduction of the 1815 Cédula de Gracias to help encourage the island's development, and this was, of course, no time to change that policy.

Paria's ideas on reform were even more far-reaching. He had, upon arrival, made a purge of unnecessary government employees; he had made a formal proposal to Spain regarding the possibility of making San Juan a free port for re-exports (an idea which did not see much success in Madrid); and was instrumental in securing a loan of 12 Million pesos from London for colonial purposes.¹⁷

The good intentions of Captain Paria did not last very long. On 1 January, 1870, the duties on essential goods were re-instated. The treasury was in desperate need of funds and government employees were several months in arrears. We learn from Consul Cowper that the main beneficiaries of Paria's generous policy had been the merchants who had not significantly lowered their

¹⁷*Ibid.*, pp. 609-610.

Table 53. Articles Declared Duty Free in
the Royal Decree of 4 February, 1868

olive oil
rice
cod fish
hams
shoulders
Spanish peas
grain
vegetables
oats
rye
corn
peas and all similar beans
flour and cereals
garlic
onions
potatoes and similar
lard
butter
dry, slated, pickled and smoked fish
salted sardines
jerked beef
prime and dry slated pork
salted and smoked beef, mutton and pork
arrow-root
live cattle, cows, asses, horses, sheep
and hogs
mineral coal
charcoal
live fish
guano
manure
machinery for agriculture
machinery for collecting cocoa, cotton and
coffee
machinery for boring Artesian wells
mills for leaning rice
mills for shelling corn
white spruce
pitch pine
lumber shingles
wooden houses
nails (for houses)

Source: Francis Cowper's report for 1867, P.P.
1868-69, p. 609.

prices ("not one cent", to quote Cowper) in spite of the tax relief afforded to them. The poor, however, bore the brunt of the blame, according to the consul. He accused them of not having taken advantage of cheaper imports (a contradiction of his previous assertion that prices had not gone down) and of preferring to stick to their home grown yams and plantains instead. Indeed, Cowper was as convinced as his son had been that the labouring classes had actually benefitted greatly from the natural disasters due to the abundance of work and that they did not need any more help. Fully subscribing to Francis' disgust of what they both regarded as profiteering on misfortune by the poor, Consul Cowper offered a more colourful version of his son's previous account of The Ignorant Servant:

An old negro, a retainer of mine, who I had the good fortune to deliver from slavery some time ago, observed to me during their operation¹⁸, 'Ah! Massa, God Almighty sent these earthquakes and hurricanes for the good of the poor niggers (sic.). Before they came, no work could be got, but now we get all we want at our own price'.¹⁹

Amongst the catalogue of misfortunes that had resulted from the Governor's well-intentioned but mistaken exercise in altruism, was the exclusion of Spanish flour from the Puerto Rican market. "Bad U.S. flour", said Cowper, "drove the excellent Spanish flour out of the market."²⁰ The 1857 tariff had raised the original 1815 duty of 2 pesos per barrel, to 5 pesos per barrel. Without this protective duty, its advantage in

¹⁸Cowper is referring to the regulations allowing the duty-free importation of basic necessities.

¹⁹Cowper's report on Puerto Rico for 1868. P.P. 1868-69, pp. 218-219.

²⁰*Ibid.*, p. 218.

the Puerto Rican market was lost.

To undo these evils, duties were re-introduced in 1870 to all but the following ten categories of imports:

1. trees, nursery trees and seeds
2. mineral coal and charcoal
3. asses, mares, horses, mules and all kinds of woolly and stock cattle imported to improve the breed
4. guano and all manure, natural or artificial
5. machines for agriculture, with a stress on labour-saving devices
6. machines for all industrial aspects of agriculture (i.e., packing, grinding, transport, etc.)
7. machines specialised for the cultivation of coffee, cotton and cocoa
8. machines specialised for drilling Artesian wells
9. mills to thrash rice and shell corn
10. live fish.²¹

The provisions which had been declared duty free were now given new duties. Spanish wheat and wheat flour remained duty free when imported in Spanish ships but if they had been transported in foreign ships, they paid 81.5 cents per ton of 100 kgs. Foreign flour was heavily taxed at \$2.44 and \$3.26, again depending on whether it was imported in Spanish or foreign ships. Building materials reverted to their old duties.

The reintroduction of import duties on essential provisions and building materials was not considered enough to relieve the treasury from its state of indebtedness. To achieve this effect, supplementary

²¹Cowper's report on Puerto Rico for 1869. P.P. 1869-70, p. 372.

measures were taken, including the raising of certain port charges and local taxes, the imposition by the government of a loan from the mercantile community, and, very importantly, the re-introduction of export duties which had been abolished in 1851 except for a brief and temporary period in 1856 during which they were used to help cover the costs of the currency recall. Timber alone had been charged an export duty since then and this only because the Spanish government wished to have the first choice on certain varieties of wood for ship-building.²²

The first exports to be taxed in 1869 were sugar (at \$3.00 per hogshead of 500 lbs. and molasses (at 60 cents per puncheon of 110 gals.). These charges came into effect in March.²³ The following year more products were added to the list, although the duty on sugar and molasses was lowered. That year, export duties on the four principal exports of the island were charged as follows:

sugar	\$2.50 per hogshead (500 lbs.)
molasses	.50 per puncheon (110 gals.)
coffee	.50 per cwt.
tobacco	.20 per cwt.

The export duty remained in effect until the end of the century with several alterations. In 1872, the export duty on sugar was reduced to 20 cents per 100 lbs.²⁴ In October 1874, all duties, both for imports and exports were raised by 5 per cent.²⁵ By 1882, all export duties had been once again abolished, except those on the main export articles which however, had been reduced almost by

²²Consul Hunt's report on Puerto Rico for 1856. P.P. 1855-57.

²³P.R.O., F.O. 72/1221. Cowper to Clarendon, 22 March, 1869.

²⁴Cowper's report on Puerto Rico for 1872. P.P. 1873, p. 1055.

²⁵Pauli's report on Puerto Rico for 1874. P.P. 1875, p. 801.

half, their rates being charged in units of 100 kilos (instead of lbs.) as follows:²⁶

sugar (of all kinds)	22 cents
coffee	54 cents
wood (of all kinds)	60 cents
wood (under Spanish flag)	39 cents
molasses	5 cents
tobacco	22 cents

By 1894 the export duty on sugar had been eliminated to help relieve the hacendados caught in the downward spiral of world prices. Tobacco still paid 22 cents per 100 kgs., timber duties had been reduced to only 15 cents; but the charges on the exportation of coffee (by now the island's most profitable export) had almost doubled to \$1.00 per 100 kgs.²⁷

Because the government's major source of income was through custom duties, the tariff became a document to be used at any given occasion to increase revenue. It could also be manipulated to encourage trade or discourage certain kinds of exchange as the case might be. This was something that the British discovered, sometimes to their disappointment, other times to their advantage, throughout the century. Up to 1872, for example, rice produced in British India, entering Puerto Rico in British ships was classed as a direct import, as India was a British territory. As such it was allowed the 6 per cent reduction to which all direct imports were entitled. That year, however, the customs authorities in Puerto Rico questioned the validity of classing Indian rice as British. Consul Cowper explains:

the question arose upon some rice imported direct from Liverpool, and it was contested at the custom-house that, although it might have been East Indian

²⁶Stevens' report on Puerto Rico for 1882. P.P. 1884, p. 142.

²⁷Vecqueray's report on Puerto Rico for 1894. P.P. 1895, 712.

rice, and consequently the produce of a British possession, it was not, and could not have been the produce of Great Britain itself.²⁸

On 10 September, 1872, the 6 per cent reduction which applied to goods produced in a country which were sent directly to Puerto Rican ports, was deemed to be no longer valid if those goods were produced in the exporter's colonial possessions. This interpretation fell with special hardship upon Britain who possessed the only colony with an export of any interest to Puerto Rico, rice, and was the country which could boast the largest share of rice sales by far in the Puerto Rican market.

In 1886, however, the situation changed in favour of British-Indian rice imports. A convention signed between Great Britain and Spain allowed all goods arriving at Puerto Rico under British flag either from Great Britain or its colonial ports, to pay the reduced duties under the third column of the tariff. All British colonial produce would be considered direct imports, even if they had been re-exported from a British port.²⁹

The last two decades of the nineteenth century witnessed a large number of changes in Puerto Rico's tariff. Most of these changes reflected the desperate conditions of the island's treasury, the difficulties of its sugar industry and the battle against economic domination by the United States. In 1883, for example, the government decreed an increase in import duties charged on all U.S. imports. The United States soon retaliated, raising import duties on Spanish colonial trade by 10 per cent. This had the unwanted effect of depressing the island's sugar sector even further and the following year, Spain was compelled to bring down its

²⁸Cowper's report on Puerto Rico for 1872. P.P. 1873, p. 1056.

²⁹Hertslet's report on Puerto Rico for 1886. P.P. 1888, p. 375.

duties on United States goods in exchange for the elimination of the 10 per cent surcharge on Spanish colonial produce in that country.

The 1890's proved to be the most turbulent time for the island's tariff, starting on the opening year of the decade with the Spanish reaction to the McKinley tariff. This new United States tariff imposed a duty of only half a cent on refined sugar and allowed raw sugar to enter duty free. Sugar duties in the United States at the time were not used as a protective measure but mainly as a source of revenue. There was little need to protect an industry which only satisfied 10 per cent of the country's demand for sugar. During the late 1880's and early 1890's the United States government was embarrassed by a large surplus revenue in their treasury. The elimination of sugar duties was therefore an obvious choice. It brought down the price of sugar to the consumer helping to ameliorate the effects of a protective rise in the duties on imported manufactures, especially in the western states. However, this tariff had a dual purpose: through its reciprocity provisions, it stated that only countries who reciprocated by allowing United States imports to enter duty free would be entitled to the new rates. Those who were not willing to "cooperate" would be charged. This duty came to just over 1 cent per lb. for the grades of raw sugar chiefly imported which was only about half of what they had been charged before 1890, but it was still enough to place non-cooperating countries at a distinct disadvantage.³⁰ Of course, the implications of the McKinley tariff for the sugar industries of the Spanish Caribbean were disastrous, and although by 1890 most of the wealth in Puerto Rico was no longer being determined by sugar but by coffee, this was certainly not the case in Cuba, and there was no doubt as to which of the two islands was

³⁰Taussig, *op. cit.*, pp. 275-279.

more important in the eyes of Spain. Cuba was the largest and richest of the two and Cuba was the focus of major discontent towards the metropolis, for although it cannot be said that the ferments of dissent were not present in Puerto Rico, these had never escalated to the dramatic heights that they reached in the larger island.

Unwilling to open its own market to colonial sugar so as not to affect the Andalusian growers, Spain eventually capitulated to the United States. Indeed, in this the McKinley Act was a great success. In July, 1892, Spain signed a reciprocity agreement with that nation for Cuba and Puerto Rico. Similar agreements were reached with Britain (for Jamaica, Trinidad, Barbados and British Guiana) and with Salvador, Dominican Republic, Nicaragua, Honduras, Guatemala and Brazil. Duties were levied upon imports of sugar, tea, coffee and hides from Venezuela, Colombia and Haiti.³¹ These measures were ultimately aimed at breaking the natural multilaterality of Latin America's trade and asserting the United States' influence in the area.

The effect of allowing United States products to enter duty free into Puerto Rico were soon felt in the island. The importation of United States provisions increased. Other United States products, namely coal, displaced previous suppliers. Imports of machinery, on the other hand, were barely affected as they had been duty free since 1815. Customers were familiar with the European, mainly British, products which they had known for decades, could trust their quality, and felt no incentive to change to American substitutes. Indeed, the effects of the 1892 reciprocity treaty with the United States were not as dramatic in Puerto Rico as might at first be expected, as most of the imports the United States had to offer were in the line of provisions which had always been a Spanish stronghold in the island and

³¹*Ibid.*, p. 282.

were already paying very low duties. Nevertheless, a gap was felt in the Treasury's coffers and only one month after finalising agreements with the United States, Spain decided to introduce a new tariff law for Puerto Rico.

The new tariff regulations were published in the island's official gazette on 16 August, 1892, increasing all taxes on trade and industry. Import duties especially were considerably raised, on average about 50 per cent. This measure caused major disaffection and resulted in protests and demonstrations amongst the merchants and the labouring classes until a compromise was reached through the mediation of Pablo Ubarri, head of the island's Conservative Party. The old tariff was allowed to stand with a general increase of only 10 per cent.³²

In 1894 the United States experienced a dramatic change in tariff policy. The treasury was in need of funds and a tax on sugar was a sure source of income. It also benefitted Louisiana planters who had recently had their bounties abolished. An *ad valorem* duty of 40 per cent on raw sugar was set, with an extra charge of 1/20 of a cent per lb. on refined sugar so as not to affect the domestic refining industry. A further 1/10 of a cent was added to sugar coming from countries such as Germany, whose governments provided export bounties. This was particularly important to the Sugar Trust, a powerful monopoly of refiners in the United States who virtually controlled the national market and whom the government felt compelled to favour. The sugar refiners also benefitted from the fact that the *ad valorem* duty was assessed on the value of sugar at the time and place of purchase excluding the high cost of freight from countries that traditionally produced raw sugar, while not significantly benefitting the final cost of refined sugar which came mainly from Europe where transport

³²Gervasio García, *op. cit.*, pp. 229-231.

charges tended to be low.³³

The 1894 United States tariff, also known as the Wilson-Gorman Law, invalidated the reciprocity provisions of the 1890 tariff act, nullifying agreements reached in treaties that were inconsistent with the new status.³⁴ Producers of raw cane sugar, such as Cuba and Puerto Rico were now obliged to compete with subsidised beet sugar from Europe at a time when the market was glutted and prices were as low as 3.25 cents/lb.³⁵ In the Spanish Caribbean, the Wilson-Gorman Law was the cause of great upheaval. Spain immediately reacted by reimposing duties on United States imports. Prices of United States provisions rose and imports consequently fell. Vice-consul Toro reports that year that a barrel of United States flour in Ponce was 75 cents higher than the Canadian product as a result of the abrogation of the reciprocity treaty, stressing the great opportunity this represented for Canadian flour in the district. Should Canadian flour become more popular in Ponce, speculated the vice-consul, "Canada might secure herself a good market", as approximately 60,000 bags of flour were imported into Ponce each year.³⁶

The Puerto Rican sugar industry, already vastly depleted, suffered the blow of the Wilson-Gorman Law quite badly. Its introduction pushed down the price of sugar even further. The tax, explains Consul Vecqueray, was almost prohibitive. Spain, he added, should have been an excellent market for light central and muscovado sugars, thereby helping her colony to prosper. Instead,

³³Taussig, *op. cit.*, pp. 310-314.

³⁴*Ibid.*, p. 282.

³⁵Philip S. Foner, *A History of Cuba and its Relations with the United States*. 2 Vols. Vol.I ("1845-1885: From the Era of Annexationism to the Outbreak of the Second War of Independence") New York, International Publishers, 1963, p. 298.

³⁶Toro's report on Ponce for 1894. Appended to Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, p. 550.

the Spanish market was closed to Puerto Rican sugar. Heavy duties were imposed on all sugar entering Spain, including that of its own colonies, with the object of protecting the Andalusian sugar industry. The United States continued to be the only feasible destination for the island's sugar and, consequently, its price continued to fall.³⁷

If the 1894 United States tariff affected Puerto Rico adversely, in Cuba its consequences were even more intensely felt as, contrary to Puerto Rico, Cuba's economy still depended almost exclusively on its exports of sugar to the United States. "Between 1887 and 1897," comments Philip Foner,

the United States bought nearly all of Cuba's major exports --sugar and tobacco-- while Cuba purchased during the decade about one-fifteenth of America's exports. Since Cuba was now mainly a single crop economy and depended entirely on the American market, the health of its economy was in American hands.³⁸

In 1895, after extensive negotiations between Spain and the United States, an agreement was reached. Retaliatory surcharges were dropped on both sides and the basic 40 per cent *ad valorem* tariff which had caused all the original uproar remained unchanged: another victory for the United States policy-makers.³⁹

The 40 per cent duty on sugar however, did not have the desired effects on the United States revenue. In spite of the Cuban insurrection and the consequent drop in supply, the price of sugar had continued to fall and in 1896, the percentage was equal to less than 1 cent per

³⁷Vecqueray's report on Puerto Rico for 1894. P.P. 1895, pp. 710-711.

³⁸Foner, *op. cit.*, p. 298.

³⁹Ramos, "The Influence of Mechanization...", p. 98.

lb. In 1897, a new tariff was passed. This tariff made the sugar duty specific again (as opposed to *ad valorem*) which was almost tantamount to doubling the previous charge. The 1897 rates were as follows:

On raw sugar testing up to 75 degrees.....1 cent/lb.
 For each additional degree.....35/1000 cent/lb.
 Hence, raw sugar testing 95 degrees....1.65 cents/lb.
 and raw sugar testing 100 degrees.....1.825 cents/lb.
 Refined sugar.....1.95 cents/lb.

The additional duty of 1/10 of a cent for sugar coming from countries paying an export bounty in the 1894 tariff was changed in 1897 to an additional duty equivalent to the net amount of the bounty which would be calculated by the Secretary of the Treasury.

The new duty on sugar not only attempted to raise revenue but also claimed to protect the new beet sugar industry that was developing in the Western states. The Sugar Trust was less favoured by this tariff (also known as the Dingley Tariff) than it had been by the previous specific duties, but its interests were nevertheless looked after.

The Dingley Tariff also revived the policy of reciprocity. However, this applied only to certain specified articles including tea, coffee, tonka beans and vanilla beans. Sugar was not included as its duty was meant to increase revenue, so the policy did not affect the Spanish colonies in this way. Cuba had no coffee industry to speak of and, as we have seen, Puerto Rican coffee had never had an avid market in the United States. A further clause aimed at countries "of the same rank in power and civilization as the United States," allowing duties to be reduced if United States imports were "well-treated" in their tariffs, obviously did not apply to the islands either.⁴⁰

The Dingley Tariff would have affected the Caribbean

⁴⁰Taussig, *op. cit.*, pp. 348-353.

islands quite significantly. The virtual doubling of sugar duties, if prolonged, would have had dire consequences for Cuba and would have probably signified the end of Puerto Rico's already moribund sugar industry; but its effects were not allowed to mature; nor did Spain have a chance to either make further concessions or to retaliate. In the early months of 1898, the United States intervened in the Cuban conflict against Spain. It invaded Puerto Rico subsequently on 25 July. By December, an English language newspaper was already circulating in San Juan and on this publication appeared the military governor's (Brigadier General Guy V. Henry) "Programme" for Puerto Rico. Its fifth point stated simply that "The matter of custom duties will have to be regulated by Congress as well as that of the value of money."⁴¹ A new tariff, more protective than anything which the island had experienced after 1815, was to ensue and with it, the total absorption of Puerto Rico's economy by the United States.

2. The Puerto Rican tariff and British trade

The Puerto Rican tariff, between 1856 and 1898, as confusing and complicated as the consuls felt compelled to describe it, was never overtly hostile towards British trade.

Britain's most important imports into Puerto Rico could be grouped loosely under three categories: machinery, coal and manufactures, and the island's tariff consistently favoured the first two during the nineteenth century. Following the 1815 Decree, all agricultural machinery and implements were admitted duty free into Puerto Rico, and although duties were eventually reimposed on agricultural implements, concessions could

⁴¹F.O. 72/2076. Lee to Foreign Office, 9 December, 1898.

be applied for and were frequently granted as a "special favour" (*gracia especial*). In August, 1879, for example, Messrs. Ransomes and Simms from England applied for such a permit via Acting-consul Gibbons and received authorization as a matter of course in March of the following year.⁴² Machinery, however remained duty free. Special port dues for coal cargoes and the eventual elimination of all duties on this important item also favoured British trade as, until the very last years of the century, Britain held a virtual monopoly of its importation in Puerto Rico.

British manufactures, on the other hand, covered a very broad range of articles, most of which were not hindered in any significant way by the island's tariff. The exception to this rule was however an important one. The tariff was used to protect imports of Spanish textiles and as the Catalonian industry reached maturity towards the end of the century, the discrimination against foreign textile manufactures increased, falling with exceptional hardship on the British. This situation was exacerbated by the constant depreciation of local currency experienced during the 1880's and 90's which affected all manner of foreign imports. Nevertheless, up until the 1880's, British textiles dominated the Puerto Rican market and, together with all other British manufactures, they benefitted greatly from the tariff amendment introduced in 1856 favouring direct trade. Direct trade meant reduced costs and therefore, increased consumption and indeed, the 1850's saw a remarkable rise in the importation of goods classed as British in the customs records, especially after 1857.

The 1886 agreement between Britain and Spain was again favourable to British trade, specifically to the importation of British colonial rice, at a time when Spanish policy towards United States' imports was showing

⁴²P.R.O., F.O. 72/1578. Gibbons to the Marquis of Salisbury, 22 March, 1880.

signs of hostility.

The tariff itself, therefore, did not give reason for much complaint on the part of Britain, except in terms of its effects on British textile imports towards the end of the century, particularly those of cotton manufactures. Spanish imports of like kind were strongly protected throughout the period and this protection was increased in 1881. As an example, Consul Hertslet points out in 1887 that £128,000 worth of British cotton imports had been taxed £28,000 at customs. Spanish cotton imports that year had been valued at £137,000. Of these, £106,000 worth entered the island duty free. The remainder had only been taxed £1,250.⁴³

In an extreme example of discriminatory duties, eight Union Jacks sent to Puerto Rico for consular use in 1883 were charged a duty of \$27.55 in accordance with the tariff which stipulated a charge of \$2.90 per kg. of foreign woollen manufactures arriving in foreign vessels. The fee was understandably found offensive by the British consul and by the Foreign Office, who ultimately reimbursed Consul Stevens for "this most outrageous charge" only after advising him to ask all vice-consuls to take extra precautions in the maintenance and conservation of their flags.⁴⁴

Consul Hertslet's figures for 1887, however, indicate that Britain's position as a supplier of cotton manufactures was so strong in Puerto Rico, that even with the high protective duties, it still followed Spain's lead by a relatively small margin. Besides, Puerto Rico's protective policy was comparable to that of some other Latin American states where high tariffs generally

⁴³Hertslet's report on Puerto Rico for 1887. P.P. 1888, p. 173.

⁴⁴P.R.O., F.O. 72/1658. Stevens to Foreign Office, 22 May 1883; and Foreign Office to Stevens, 20 June, 1883.

prevailed as means of raising revenue.⁴⁵ Occasionally, these tariffs claimed protectionist intentions as was the case with the Alves Branco 1844 tariff in Brazil which lasted only until 1857 and which was designed to protect the nascent cotton textile industry in that country. But tariffs in Latin America were primarily drafted with fiscal purposes and were nevertheless onerous on foreign imports. In the 1860's, for example, the general tariff level in Brazil was approximately 30 per cent⁴⁶ while in Puerto Rico foreign goods paid between 14 and 29 per cent.

It is not surprising that, having recently arrived in Puerto Rico, Consul Cowper should appear quite satisfied with the Puerto Rican tariff. In one of his earliest reports he commented that, apart from the 6 per cent differential in favour of Spanish shipping, foreigners were all treated under equal footing, and that laws regulating commerce appeared to be just and impartial.⁴⁷ It is hard to reconcile this statement with the words of the same man who, seven years later, in 1869, recommended strict action on the part of the British government, suggesting retaliatory duties should be imposed upon Spanish vessels bringing sugar to British ports "...for they would no longer seek cargoes in England, with the certainty of being unable to return one, and would have to rot in their ports."⁴⁸

⁴⁵See, e.g., the case of Argentina in Vera Blinn Reber, *British Mercantile Houses in Buenos Aires, 1810-1880*. Cambridge, Harvard University Press, 1979, pp. 25-27.

⁴⁶Stanley J. Stein, *The Brazilian Cotton Manufacture: Textile Enterprise in an Underdeveloped Area, 1850-1950*. Cambridge, Harvard University Press, 1957, pp. 7-19.

⁴⁷Cowper's report on Puerto Rico for 1862. P.P. July 1862-63.

⁴⁸Cowper's report on Puerto Rico for 1869. P.P. 1869-70.

3. Port fees and miscellaneous charges

Consul Cowper's vindictiveness was not so much against the tariff as such, as against the multitude of additional fees and requirements imposed upon foreign shipping, as opposed to foreign goods. These were so many, so varied and so inconsistent throughout the century that it is difficult to keep track of them and record them in an orderly fashion. The most consistent of these charges however were tonnage dues, anchorage dues and pilotage fees. But far more obnoxious to British shipping was an elaborate system of fines surrounding the ship's manifest which caused endless friction between the Spanish customs authorities and foreign ship masters in Puerto Rico.

When Lindegren arrived in 1844, tonnage dues were set in the following way:⁴⁹

For Spanish ships:

If arriving from:	
neighbouring islands.....	68.75 cents/ton
any other foreign ports...	28.00 cents/ton
national ports.....	12.50 cents/ton

For all United States ships.....100.00 cents/ton

For all other foreign ships.....68.75 cents/ton

In addition to this, a *balanza* or weighing duty, of 1 per cent on all tonnage dues was paid by all vessels. The only ships exempted from paying any of these fees were those entering Puerto Rican harbours in want of water, provisions, information on prices of goods or to repair damages.

Ships in ballast paid a flat rate as follows:

⁴⁹See "Notas adicionales" of Balanza mercantil, 1844, and P.R.O., F.O. 72/683. Lindegren to Aberdeen, 4 January, 1845.

Small Spanish vessels.....	4 pesos
Larger Spanish vessels.....	8 pesos
Small foreign vessels.....	8 pesos
Larger foreign vessels.....	12 pesos

In addition to this, every ship paid the following rates at every port they entered:

Anchorage.....	2 pesos
Pilotage.....	18 pesos
Captain of the port & interpreter's fees..	32 pesos

In the 1850's new rates for tonnage were introduced. In 1858, consul Hunt reported that all foreign vessels arriving at Puerto Rico were paying a tonnage due of 1 peso per ton. Spanish vessels were charged only half of that amount and all vessels with cargoes for the San Juan depot paid no tonnage dues as these were charged on goods when they were released for consumption. Vessels laden exclusively with coal were allowed to pay only 50 cents per ton.⁵⁰

We now begin to realise the cause of Consul Cowper's irritation. The Puerto Rican tariff was protective of Spanish goods, that was a fact. But that, as we have seen, did not significantly affect many of the most important British imports. Those that were affected were hardly better off in the rest of Latin America, and in some cases, such as imports of wool manufactures, certain metals and coal, they were probably better off in Puerto Rico as the island had no native industry to protect. The tariff also discriminated quite heavily against foreign shipping and Britain did feel the full force of this policy. But not only was Spanish shipping favoured through the tariff, it was also favoured by the system of port charges, and here the difference was even greater. Until 1851, British shipping had at least had an advantage over that of the United States, but after that

⁵⁰Hunt's report on Puerto Rico for 1857. P.P. 1858-59.

date, the system became particularly unfavourable to the British. Like all foreign vessels, they paid double the amount of tonnage dues paid by Spanish ships, but the varied nature of their imports placed British ships at a disadvantage. United States imports consisted mainly of provisions and lumber which paid comparatively small import duties; British imports were mainly manufactures which were quite heavily taxed. Therefore, although United States imports rarely fell under the category of duty free goods, which some of the British imports did, they were also less likely to be charged the higher protective duties which were levied on British manufactures to protect Spanish equivalents. It is for this reason that Cowper, having had the opportunity to examine the workings of the whole system in detail, soon retracted from his original favourable impression, and declared it particularly disadvantageous to British trade. It is significant that Cowper's protestations were produced in 1869, when the measures to alleviate the island's population after the 1867 hurricane and earthquake were still in force. The long list of provisions and building materials which had been declared duty free offered a great advantage to United States trade, and Cowper understandably felt that his countrymen were being left out of the bargain. Cowper classed the island's port charges as extravagant, saying that they added to the already heavy differential in duties stipulated by the tariff. By then, the tonnage dues for Spanish ships had been reduced even further, to only 37.5 cents per ton, while all foreign ships continued to pay \$1.00 per ton.⁵¹

The consul's displeasure was exacerbated that year by the equalisation of tonnage dues which was declared on 6 June, 1868. A Royal Decree, published in the official gazette, stated that from that date onwards, and based

⁵¹Cowper's report on Puerto Rico for 1868. P.P. 1868-69, p. 217.

upon reciprocity agreements, Spanish and foreign ships would be charged the same port fees. French and German ships were immediately allowed to take part in the benefits of this new decree, but Britain was excluded by the Spanish authorities on the grounds that, although Spanish vessels were allowed to enter British ports on the same terms as British ships in the United Kingdom, there was no proof that this was so in the British colonies. Cowper, suspicious by now of the Spaniards' intentions, contacted the Foreign Office at once. The Foreign Office, however, were already quite aware of the situation as the equalisation of duties in Puerto Rico was only part of a scheme for all of the Spanish colonies, including Cuba and the Philippines. London was awaiting favourable news on the matter from each of the islands' governors, pending their receipt of information related to the treatment of Spanish ships in the British colonies. Once these formalities were observed, as of February, 1869, British shipping was allowed to participate fully in the new system which immediately lowered their port charges from 1 peso per ton to only 37.5 cents per ton.⁵²

Although tonnage dues were equalised in 1869, there were still other minor charges which applied to foreign ships, such as the health officer's visit and, more obviously, the interpreter's fees. The health officer's visit would appear to be an unfair requirement when we consider that foreign vessels entering Puerto Rico were already obliged to present a Bill of Health signed by the Spanish consul at the port of departure, but disease could often break out at sea unexpectedly, as Consul Bidwell's detailed narration of the outbreak of yellow fever on board a United States man-of-war in 1878

⁵²P.R.O., F.O. 72/1193. Cowper to Stanley, 25 November, 1868; and Foreign Office Private Dispatch, n.d. See also Cowper's report on Puerto Rico for 1868. P.P. 1868-69, p. 217; Cowper's report on Puerto Rico for 1869. P.P. 1869-70, p. 375; and P.R.O., F.O. 72/1221. Cowper to Clarendon, 25 May, 1869.

reveals. This case was particularly interesting in Bidwell's estimation, as the affected vessel had spent the winter in the United States after visiting the West Indies, a fact which seemed to prove that the virus could survive even cold temperatures.⁵³ Nevertheless, the health officer's visiting fee was often raised to increase revenue. In 1870 it was raised from \$4.50 to \$6.50.⁵⁴ By 1878, the fee was being calculated according to the size of the vessel. The minimum rate was \$4.00 for vessels of up to 40 tons; vessels from 41 to 70 tons paid \$6.00 and then up to 100 tons, \$8.00. After that, for every increase of up to 50 tons there was an increase of \$1.00 in the cost of the visit, until an upper limit of \$16.00 was reached.⁵⁵

Besides these charges, there were other port fees which were mandatory for all vessels, including Spanish ones. There were anchorage fees, pilotage fees and master-of-the-harbour fees. If a lighthouse was being built at a particular port, vessels would have to pay a lighthouse fee to help finance its construction. If a wharf was being erected there might be a wharf fee; if the harbour was going to be dredged, there would certainly be a harbour-dredging fee; and so on, seemingly *ad infinitum*.

Each port had different regulations and apart from the basic tonnage dues, they could, at any given time, be charging entirely different rates for the same service or requirement, or could have a totally different set of fees to begin with. It would appear that Ponce, for example, did not require foreign vessels to undergo an inspection from the local health officer. Furthermore,

⁵³Consul Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1630.

⁵⁴Cowper's report on Puerto Rico for 1869. P.P. 1869-70, p. 375.

⁵⁵Bidwell's report on the tariff of Puerto Rico. P.P. 1878, p. 1298.

apart from port duties there were also local taxes or octroi duties on various articles and these too varied considerably from district to district.

In 1878, Consul Bidwell provided the Foreign Office with a detailed list of all charges levied at the port of San Juan at the time. Based on his report, we can illustrate, as an example, the variety of port charges (quite apart from import duties) incurred by a 200 ton vessel upon its arrival at San Juan.

The charge for inward and outward pilotage was \$17.00; if the vessel was moved within the harbour at any time, it would pay \$2.00 per change of position; the interpreter's fee was \$4.00 (Spanish ships being obviously exempted); and stamped paper for customs certificates was charged at 75 cents. In San Juan, tonnage dues had been merged with a variety of other fees in 1870. These included lighthouse, anchorage, harbour master and harbour cleaning dues. To cover all of these, plus their tonnage, all vessels paid a rate of \$1.00 per ton landed. If the said vessel landed 200 tons of merchandise, its tonnage dues came to \$200.00. For the health officer's visit, according to the rates previously stated, the vessel would be charged \$10.00. For the use of the wharf, the charge would be \$4.00 in agreement with the following wharfage rates:

Vessels of up to 100 tons.....	\$3.00
Vessels of 101-150 tons.....	\$3.50
Vessels of 151-200 tons.....	\$4.00
Vessels of 201-250 tons.....	\$4.50

These wharfage charges substituted a previous charge of \$1.00 per mast for vessels coming alongside the quay which had been introduced in 1869.⁵⁶ There was a further charge of \$1.00 for a visa to the bill of health and when

⁵⁶Cowper's report on Puerto Rico for 1869. P.P. 1869-70, p. 375.

clearing San Juan, a permit on stamped paper was required costing anywhere between 50 cents and \$8.00 according to the value of the cargo. The minimum port charges levied to this 200 ton vessel would therefore come to \$239.25.

Of course, these costs were ultimately paid by the San Juan consumer, who had yet to cover the costs of import duties and octroi dues. In San Juan however, local duties were charged mainly on provisions (see Table 54) and they therefore affected British imports but little.

The only vessels exempted from any of the port charges were those arriving in ballast and those laden only with coal. Vessels arriving in ballast paid no tonnage dues at San Juan after 1870, but the rest of the port charges still applied, plus an additional fee for ballast guard (if loading or discharging ballast) of \$1.00 per day.

Vessels bringing coal only were also exempt from tonnage dues but they paid other fees: a clearance fee of \$6.00, and a "light" due which Bidwell does not specify, mentioning only in an example that it amounted to \$6.80 for 150 tons.⁵⁷ If a vessel brought coal and any other article, the standard fee of \$1.00 per ton applied. Furthermore, although coal entered Puerto Rico free of duty, it did pay an octroi duty of 50 cents per ton in San Juan.⁵⁸

⁵⁷It is possible that Bidwell was referring to a fee charged for the use of lighters.

⁵⁸For all the above mentioned details, see Bidwell's report on the tariff of Puerto Rico. P.P. 1878, *passim*. Note that Bidwell mentions coal as paying an octroi duty in San Juan although he neglects to include this item in his list of articles paying local taxes in that city (reproduced here as Table 54).

Table 54. Local Duties Charged in San Juan in 1878

Article	Per	Cents
Flour	Barrel	25.00
Cornmeal	Barrel	12.50
Figs	Quintal	5.00
Hams	Quintal	75.00
Ice	Quintal	5.00
Kerosene oil	Quart	.50
Spanish liquors from Mallorca	Box	10.00
Foreign liquors	Box	25.00
Lard	Quintal	50.00
Butter	Quintal	50.00
Pickled mackerel	Barrel	37.50
Potatoes	Quintal	3.00
Raisins	Quintal	25.00
Vermicelli	Quintal	25.00
Sweet or ground pepper	Quintal	25.00
Black pepper	Quintal	50.00
Dried fish	Quintal	5.00
Round cheese	Quintal	30.00
Pategras cheese	Quintal	50.00
American and Majorcan cheese	Quintal	37.50
Rosolio liquor	Dozen	2.00
Sausages	Quintal	50.00
Fine sausages	Quintal	100.00
Sardines	1/4 tin	.12
Pork	Barrel	75.00
Bacon	Quintal	50.00
Jerked beef	Quintal	5.00
Virginia leaf tobacco	n/s*	75.00

Table 54. (Cont.)

Article	Per	Cents
Santo Domingo tobacco	n/s	75.00
Cuban tobacco	n/s	75.00
Cuban cigars	1,000	100.00
Common Spanish wine	Pipe	200.00
Foreign wine	Litre	.75
Champagne	Box	150.00
Sweet or superior Spanish wine	Litre	.50
Foreign sweet or superior wine	Litre	1.00
Composite candles	Quintal	75.00
Beef	Lb.	2.30
Fish	Lb.	.50
Pork and mutton	Head	125.00

* n/s = unit not supplied.

Source: Bidwell's report on the Tariff of Puerto Rico. P.P. 1878, p. 1297.

Shortly after Bidwell's thorough report on port charges, an attempt was made by the Spanish authorities in Puerto Rico to raise revenue through the pilot dues. In July of that year, Acting-consul Gibbons reported to the Foreign Office that pilotage, which had been voluntary for many years in all ports except San Juan and Fajardo, had now been made compulsory at all ports and that a new set of higher rates had been assigned. Starting 6 February, 1880, foreign vessels in San Juan were being charged fees ranging from \$11.00 for vessels between 41 and 80 tons to \$38.00 for vessels over 1,000 tons. Equivalent charges for Spanish vessels ranged between \$9.00 and \$31.00. In Ponce the range of charges stood at \$9.00 to \$40.00 for all nationalities while at

Mayagüez foreign ships paid between \$10.00 and \$37.50 and Spanish ships between \$8.00 and \$30.00. The minor ports of Aguadilla, Naguabo, Arroyo and Humacao were charging a standard rate of \$10.00.⁵⁹

Gibbons considered this new imposition a great injustice as captains were obliged to pay the fees whether they made use of the pilots' services or not. He was particularly concerned with the impact it might have on the large steamers of the Royal Mail Company whose charges under the new regulations would increase from approximately £294 per annum to an estimated £2,802 per annum, and he therefore requested the Foreign Office to formulate an official complaint to Madrid on the matter. An internal memo, however, disregarded Gibbons' basis for a complaint as groundless recognising that the new regulations did, after all, favour small vessels in which a great part of the island's trade was conducted, and that no significant distinction was being made between British and Spanish vessels.⁶⁰

The situation might not have been enough to elicit diplomatic intervention but locally it managed to ruffle a few feathers. On 30 July, 1880, the merchants of San Juan protested directly to the Governor, stating that these new charges "caused enormous prejudice to the Island by probable withdrawing of the Foreign vessels which support its Commerce." The Governor promised to look into the matter and immediately telegraphed Madrid. As a result, the regulation was revoked on the spot and the decision was made public in the official Gazette the very next day. San Juan reverted to its old charge of \$17.00 but, according to Gibbons, Ponce and Mayagüez insisted on collecting pilotage, although as a

⁵⁹P.R.O., F.O. 72/1578. Gibbons to the Earl of Granville, 24 July, 1880.

⁶⁰P.R.O., F.O. 72/1578. Gibbons to the Earl of Granville, 24 July 1880 and 23 September, 1880; and Internal Memo, Foreign Office, 13 August, 1880.

compromise, instead of charging the rates for entering or clearing, they now included both operations for the same price.⁶¹

The British consuls produced no more details on port charges until 1895 when Consul Vecqueray reported on the pilot dues charged at San Juan.⁶² The double service of entrance and clearance no longer consisted of a flat rate of \$17.00. Instead it was assessed according to the ship's tonnage as follows:

	Dollars
Up to 80 tons	9
From 81 to 100 tons	11
From 101 to 150 tons	13
From 151 to 200 tons	15
From 210 to 250 tons	17
From 251 to 300 tons	19
From 301 to 400 tons	21
From 401 to 500 tons	23
From 501 to 600 tons	25
From 601 to 700 tons	27
From 701 to 800 tons	29
From 801 to 1,000 tons	31
From 1,001 to 1,500 tons	33
From 1,501 to 2,000 tons	35
From 2,001 tons and upwards	40

Double fees for pilotage were charged between sunset and sunrise.

Mooring and unmooring was being charged at \$4.50 for vessels of up to 80 tons increasing by \$1.00 in accordance with the scale used for calculating pilot dues, up to 2,000 tons. Any vessel above 2,000 tons paid \$20.00. All mooring and unmooring had to be effected under a pilot's supervision.

Both pilotage and mooring dues were paid on the vessel's gross tonnage, as opposed to its register

⁶¹P.R.O., F.O. 72/1578. Gibbons to the Earl of Granville, 23 September, 1880.

⁶²Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, pp. 539-540.

tonnage.

Change of anchorage within the harbour was no longer charged at a standard rate of \$2.50. Now this rate applied only to vessels between 80 and 200 tons; vessels over 200 tons paid double that amount.

Vecqueray's report also includes a list of pilot dues in other important island ports reproduced here in Table 55.

Table 55. Pilot Dues Charged at Various Island Ports, 1895

<u>Port</u>	<u>No. of tons of vessel</u>	<u>Charge in dollars</u>
Aguadilla		
entrance	up to 80	3
	81-1,000	4-6
	over 1,000	7
clearance	1/3 of entrance dues	
Arecibo (entrance and clearance)		
	up to 80	9
	81-1,000	11-30
	over 1,000	40
Fajardo (entrance and clearance)		
	up to 80	4
	over 80	5
Guánica (entrance and clearance)		
	51-1,000	12-20
	over 1,000	25
Humacao (entrance and clearance)		
	up to 80	5
	81-300	6-9
	over 300	10
Mayagüez (entrance and clearance)		
	up to 80	9
	81-2,000	11-38
	over 2,000	40
Ponce (entrance and clearance)		
	up to 80	9
	81-1,000	11-30
	over 1,000	40

Source: Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, p. 540.

Although Consul Vecqueray offered no more details as to the other secondary port charges that were doubtless still being levied at San Juan, Vice-consul Toro, that very year provides us with a break-down of such fees in Ponce. Besides tonnage dues, which were still being charged at \$1.00 per ton landed, and the pilotage fares described in Table 55, the following port charges were in force:

	fee (in pesos)
Signal dues	2.00
Interpreter	9.75
Hospital dues	8.00
Copy of manifest	6.00
Permit to discharge	0.27
Permit to load	0.27
Passenger and crew list	1.06
Clearances (in ballast)	4.00
Clearances (with cargo)	8.50

The hospital due is of special interest as it appears to have been imposed shortly before Toro's 1895 report. The Vice-Consul describes it as a form of medical insurance. The payment of \$8.00 entitled the vessel to send any sick crew member to hospital where he would receive medical attention and medication free of charge while the vessel remained in the port. Apart from that, the rest of the charges are quite straightforward and correspond roughly to the fees described by Bidwell in 1878. In some cases the name of the fee had changed; in most cases the amounts charged had changed, and although they were probably not exactly the same as those being levied in other Puerto Rican ports, they were roughly representative of the island as a whole.⁶³

Throughout the century then, port charges were inconsistent. They varied from port to port and from

⁶³Toro's report on Ponce for 1894. Appended to Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, pp. 551-552.

year to year. Their only constant feature, apart from abundance, was that they were a sure and necessary source of badly needed revenue for the treasury. Up to 1870 they were used to discriminate against foreign shipping which made them a regular source of complaints for the British consuls, but after that date, together with the octroi or municipal dues, their effects were mainly suffered by the consumer adding yet another burden to a population already dealing with a chronic lack of currency and, in the 1890's, with increasing inflation as a consequence of devaluation.

4. *Fines*

Although the equalisation of tonnage dues in 1870 helped to ameliorate the dissatisfaction of the British consuls who had felt that differential duties against foreign shipping in the tariff were being unnecessarily exacerbated by excessive port charges, there was one source of irritation which prevailed from the days of Lindegren's arrival to the very end of Spanish rule in Puerto Rico. This was the frequent fines imposed upon foreign ships arriving at Puerto Rican ports on the grounds of supposed non-compliance with the authorities' elaborate regulations surrounding the ships' manifest.

Presentation of the ship's manifest upon arrival at a port was a common requirement in most ports worldwide. In Spanish ports, this document had to provide a detailed description of all articles on board and it had to be signed by the Spanish consul at the port of departure. This signature was free but failure to produce it on arrival made the ship liable to fines. Such requirement applied to vessels in ballast as well as to vessels with cargo.

The main purpose of this document was to ensure the legality and fairness of trade. By stating clearly the

type of merchandise on board the vessel, it became an invaluable aid for controlling contraband and helped settle disputes amongst merchants concerning damaged or decomposed articles, items washed overboard or the natural weight loss which some products, such as muscovado sugar, suffered in transit.⁶⁴

In Puerto Rico references to its requirement as a means to control contraband can be traced to the Royal Decree of 8 November, 1765. This document, aimed at liberalising the trade between the Spanish West Indies and the Peninsula, threw open a number of Spanish sea ports to trade with Puerto Rico. Vessels, however, were forbidden to unload at any port except that of their declared destination and merchants were ordered to keep a careful record of their business transactions in order to prevent smuggling.⁶⁵ The basic thinking behind the manifest requirement was similar although it imposed upon the ship's captain, rather than upon the merchants, the obligation of keeping a record of merchandise on board.

In Puerto Rico the manifest requirement was also used as a tool to promote direct trade. After the 6 per cent reduction favouring direct shipping was introduced in 1856, the ship's manifest provided the Spanish authorities with a convenient method of proving that cargoes arriving at island ports had indeed been sent directly from their ports of departure.

Although both of these motives appear quite reasonable, the manifest was used with a third and unofficial purpose in both Cuba and Puerto Rico: it became an easy way of raising revenue and as such, its regulations were enforced with a rigidity that was positively astounding and certainly vexatious to foreign ship captains. This system of fines remained in force

⁶⁴Information on the history of the ship's manifest provided by Mr. Powell from the National Maritime Museum in Greenwich is gratefully acknowledged.

⁶⁵Morales, *Puerto Rico and the Non-Hispanic Caribbean...*, p. 89.

until the end of the century, long after it could be sensibly claimed to be fulfilling either of its two official purposes. Contraband continued to take place in the island until the end of the century in spite of the manifest as much of it took place directly in the customs house with the aid of corrupt officials, instead of being smuggled in surreptitiously by ship captains who had craftily stored it away in their vessels. The importance of the manifest in corroborating direct trade was also largely over-rated, especially after the 1870's when the island was linked with Europe by the deep sea cable.

As the century progressed and the requirements imposed on the presentation of the manifest became more stringent, it became evident that the authorities' main purpose was purely to raise revenue through the frequent imposition of fines. Complaints were most abundant at times in which the island was undergoing economic difficulties, such as the 1870's and, conversely, relatively few grievances were reported during the comparatively prosperous decades of the 1850's and 60's. Consul Pauli assessed the situation in 1877 as follows:

The system of which the Spanish Government acts, appears to me to be, that when no particular pressure is brought on them they increase the fines, as in Royal Order of the 23rd December, 1875, and when complaints are numerous they suspend the last order, as they have lately done.

By judicious treatment of this system they give up nothing [and] get credit for apparent concessions in favour of Trade...⁶⁶

His views were shared by an article published in the New York based *Shipping and Commercial List*, dated 4 November, 1876:

The petty officials at the Spanish West

⁶⁶P.R.O., F.O. 72/1483. Pauli to Derby, 12 January, 1877.

India ports number among them, some of the most impudent rascals to be found anywhere outside of the bandits of Italy. Called to account by the Madrid Government at the instance of our State Department, not long ago for their outrageous illegal fines and exactions upon American vessels frequenting Cuba and Porto Rico, they behaved themselves very well for a time; but their exchequer having become depleted, they are having recourse to their old practices as the speediest way to replace them.⁶⁷

The "regulations for the guidance of captains and supercargoes" were contained in the island's official tariff and were accurately described by Consul Cowper in 1873 as "a trap to catch fines".⁶⁸ They required the manifest to contain detailed information regarding the ship on the following eleven subjects:

1. class
2. flag
3. name
4. tonnage (in Spanish tons)
5. captain
6. where from
7. shippers
8. consignees (consignments to order were prohibited)
9. contents and gross weight (in metric decimals)
10. statement of whether or not the ship was in ballast.
11. list of ship's stores

All this information had to be expressed in figures and in writing. Details of cargo should include numbers, marks and descriptions of all packages and contents. The exact contents of each box or package had to be mentioned

⁶⁷Clipping enclosed in P.R.O., F.O. 72/1483. Pauli to Derby, 12 January, 1877.

⁶⁸Cowper's second report on Puerto Rico for 1873. P.P. 1874, p. 37.

specifically, although the regulations also specified that the document should not go into too much detail. General descriptions such as "merchandise" or "provisions" were not acceptable.

The document had to be certified by the Spanish consul at the port of dispatch or, failing that, by a Spanish consul within 30 kilometres thereof. If there was no Spanish consul available within that area, the manifest had to be signed by three merchants explaining the reasons why they were signing. Presentation of a bill of health certified by the Spanish consul or his representatives was also required. The original, a signed copy plus an uncertified triplicate of these documents were to be presented by the ship's captain to the customs authorities within 24 hours of arrival at a Puerto Rican port. In 1857, the time limit was extended to 48 hours. Failure to comply exactly with any of these requirements made the ship liable to any of a long list of fines.

If the manifest was not presented within the stipulated time limit, vessels in ballast were charged \$200.00 and vessels with cargo \$500.00. Ships arriving in ballast from Spain were exempted of this fine in 1863.⁶⁹ If the manifest was presented on time but it had not been signed by the Spanish consul, the fine was originally \$200.00, although it was reduced to \$100.00 in 1856.⁷⁰ If details were found to be missing, the fine was \$25.00 until the mid 1870's. In 1878, Consul Bidwell declared these to be a flat rate of \$100.00 plus \$25.00 for each omitted particular up to a maximum of \$200.00.⁷¹ If goods were found on board which had not been declared in the manifest, these were confiscated and the captain

⁶⁹Cowper's report on Puerto Rico for 1863. P.P. July 1863-64.

⁷⁰Hunt's report on Puerto Rico for 1857. P.P. 1858-59.

⁷¹Cowper's report on Puerto Rico for 1870. P.P. 1869-70, p. 760; and Bidwell's report on the tariff of Puerto Rico. P.P. 1878, p. 1293.

charged a fine equal to the value of those goods.⁷²

The omission of a generic class of article lead to a fine of \$200.00. This was also the fine imposed for omitting a declaration of gross weight. An excess in gross weight of 10 per cent above the amount declared was charged as follows:

Up to 20 %	fine equal to the value of the difference
20%-40%	fine double the value of the difference
Over 40%	fine five times the value of the difference

However, should the weight be less than the gross weight declared in the manifest by a figure of or above 10 per cent, a fine equal to the value of the difference was levied. Failure to present the bill of health was charged at \$50.00. But the worst possible offence, loading goods without permission from customs, incurred a penalty of \$1,000.00⁷³

Consul Pauli's colourful description of the system as "a perfect web of snares for the unwary"⁷⁴ seems most appropriate. The regulations were difficult, sometimes impossible to comply with, but penalties for non-compliance were executed with "disgraceful and unrelenting vigour".⁷⁵ Ships in ballast were especially

⁷²This rather drastic penalty, reported by Cowper in 1870, was still a considerable improvement to the one imposed by the Spanish authorities in Cuba in the 1840's where undeclared goods, up to the value of \$1,000 were confiscated and the captain was charged a fine double their value. If the value of these goods exceeded \$1,000, the ship with profits, freight and everything in it was confiscated by the Colonial Treasury. (See: David Turnbull, *Travels in the West. Cuba with notices of Porto Rico and the Slave Trade*. London, n.p., 1840, p. 250, from Ely, *op. cit.*, p. 254, footnote no. 160.)

⁷³Bidwell's report on the tariff of Puerto Rico. P.P. 1878, p. 1293.

⁷⁴Pauli's report on Puerto Rico for 1874. P.P. 1875, p. 801.

⁷⁵Cowper's second report on Puerto Rico for 1873. P.P. 1874, p. 37.

affected as the Spanish consuls at the ports of departure often thought it unnecessary to sign their documents wrongly believing that the regulations applied only to ships conveying merchandise. This misunderstanding however was not considered a valid reason for waiving the fine of \$100.00 once the unfortunate captain arrived at Puerto Rico.⁷⁶

No complaints, explanations or defense were taken into account by the Spanish customs authorities in Puerto Rico. An invoice was issued several days after the alleged offence was committed. The British consuls complained that this was often full of mistakes as to details concerning time, dates and names, and that it usually gave the captain only one day's notice to settle payment of the fine. No explanations would be offered at Customs and at the Treasury the case would have been already dismissed. It was possible to appeal to Madrid, "but *cui bono?*" wondered Cowper: "Appeals to Madrid founder at sea, at all events they are never heard of again."⁷⁷

In spite of Cowper's pessimism, appeals to Madrid were sometimes successful and the local authorities would be ordered to reimburse captains who had been unfairly fined. In 1877, fines imposed on three British ships were returned: "The Spanish Main" was reimbursed \$680.00 and two Royal Mail steamers, the "Arno" and the "Corsica" were returned \$300.00 and \$260.75 respectively.⁷⁸ The success of the appeal, however, did not guarantee prompt repayment, as Consul Pauli learned when attempting to collect the payment due to the captain of "The Spanish Main". The process took several months and considerable

⁷⁶Cowper's report on Puerto Rico for 1870. P.P. 1871, p. 760.

⁷⁷Cowper's second report on Puerto Rico for 1873. P.P. 1874, pp. 37-38.

⁷⁸P.R.O., F.O. 72/1483. Pauli to Derby, 12 January, 1877 and 20 February, 1877; and Gibbons to Derby, 27 September, 1877 and 12 November, 1877.

patience on behalf of the consul as repeated letters to the local authorities went ignored. In the light of the evidence, the consul's conclusions would appear justifiable in that "the whole object of the Authorities seems to be, to obtain money at all costs."

Of course, it could be argued that the fines were not necessarily or essentially unfair, and that a careful captain need not worry about penalties. Cowper himself felt inclined to admit that some captains were indeed quite negligent and, unfortunately for him, the British captains appeared to have the worst record for carelessness and were therefore those most often fined, a fact which could be related to the British naval practice of "tramping". In 1862 alone, he mentioned 15 cases of British vessels fined anything up to \$950.00. "The difficulty, delay and loss of time in prosecuting their claims occupies my whole time", he bitterly stated, "and renders success very problematical indeed."⁷⁹

Nevertheless, it was undisputable that most captains, once aware of the system were very careful in observing the law, and yet they often found themselves unjustly fined. Cowper offered some of the most flagrant examples: In 1873, the captain of the British brigantine "Salmas" was fined \$25.00 for not thinking it necessary to declare the weight of a few planks (worth \$2.00) which had been placed between the hatchway and the gangway to protect the deck during loading and unloading, although the captain had declared their measurements; furthermore, a parcel containing two pairs of boots had, due to a clerical error, been described as "books" and the ship was fined another \$25.00. That same year, a German ship was fined \$1,000.00 for having declared the weight of some goods in kilograms instead of pounds (lbs.) Another

⁷⁹Cowper's report on Puerto Rico for 1862. P.P. July 1862-63, p. 420.

had been fined \$800.00 for the same reason.⁸⁰

In a system that was so unjust, it is reasonable to expect a certain amount of corruption to be taking place, and we learn from Consuls Cowper and Pauli that indeed, the employees who collected the fines were allowed to keep at least some of the money raised through these means as perquisites.⁸¹ This would of course account for the eagerness with which trivialities were picked upon and the utter unwillingness to listen even to the most justifiable excuses.

These "obnoxious duties and fines" as Cowper labelled them, were not only contested at an individual level. It would seem that almost all of the consuls stationed at San Juan were involved, at one time or another, in protesting against fines unfairly imposed on their countries' captains. Diplomatic representatives from at least two countries, Great Britain and the United States, also voiced their opinions on the matter directly to the metropolitan authorities in Madrid. On the back of the long list of grievances which Pauli sent to the Foreign Office in January, 1877, the Earl of Derby's secretary scribbled the following note which received the approval of the Foreign Office Minister:

I think that Mr. Layard [British ambassador in Madrid] might take this opportunity of making another strong representation against this system of licensed brigandage. The best way of moving the Spanish Government would be to expose the robberies of their officials on some strong despatch and to publish them in a blue book.⁸²

⁸⁰Cowper's first report on Puerto Rico for 1873. P.P. 1874, p. 886.

⁸¹Cowper's report on Puerto Rico for 1870. P.P. 1871, p. 760; and his first report for 1873. P.P. 1874, pp. 886-887; and P.R.O., F.O. 72/1483. Pauli to Derby, 12 January, 1877.

⁸²P.R.O., F.O. 72/1483. Undated memo written on Pauli's dispatch to the Earl of Derby, 12 January, 1877.

Locally, perhaps the most zealous protestor against the system was Consul Cowper, who considered it his personal duty as a consul to press the Spanish Authorities for its suppression or relaxation. By 1864 Cowper's endeavours appear to have met with some success. His appeals to the Captain General who the consul's son, Francis, described as "a very liberal man in these matters" did not fall on deaf ears. That year, according to Francis Cowper, the situation had improved: fines had been less frequent and, when imposed, they were returned at once "unless great carelessness or wilfulness (was) shown by the parties fined".⁸³

During the second half of the 1860's no further complaints were voiced by Cowper regarding the fines but the following decade opened with a warning to British vessels concerning the need to present their manifests in perfect order or risk being subject to penalties. In 1873, a positively irate Cowper considered it necessary to forward an additional report to the Foreign Office protesting on the resurgence of these unfair fines. The system, which, he stated, had pretty much become a dead letter, was resurrected in 1873 when it was apparently re-issued as a law. Cowper noted that it was particularly unfair on the captain who relied entirely on the shippers' bill of lading for descriptions, weights and measurements of merchandise, and yet was held responsible for any of their errors or discrepancies. The captain was forced to pay the fine and left to settle any arguments with the shippers on his return.

We soon learn the reasons behind Cowper's wrath. In the last few months of 1873, he claimed, the steamers of the English Royal Mail Steam Packet Company, which were providing a very useful service indeed to and from the island, had been fined on almost every journey for the pettiest reasons, a total of 25 times in three months.

⁸³ Francis Cowper's report on Puerto Rico for 1864. P.P. 1866, p. 633.

But this time, British ships did not bear alone the injustice of the law. German and United States ships were being equally harassed and as a result, all the foreign consuls in Puerto Rico had signed a joint address of expostulation to the Minister of the Colonies demanding the immediate repeal of the law, the return of all fines imposed under it, and an inquiry into the manner in which the accountant of customs was carrying out this law.

The Minister of the Colonies, intending to heed the consuls' complaints set out for Puerto Rico to look into the matter, but for a reason which Cowper does not specify, he was obliged to return to Spain. "Since then nothing has been done about this", Cowper complained, and unfortunately, nothing would be done.⁸⁴

The only noticeable change throughout the century was that fines increased in cost and new ones were introduced. In 1876 a new regulation requiring all passengers to carry duly certified passports came into effect. Failure to produce a passport from any passenger made the ship liable to a fine and the passenger would not be allowed to disembark.⁸⁵

In 1881, the regulations were re-issued containing yet another requirement: if the customs officials at Puerto Rico and Cuba judged a ship's stores to be too generous, these would be treated as merchandise. This applied to anything deemed to exceed 20 days' rations. The captain would have to either pay duty on the excess or land the provisions to be stored in a warehouse at the captain's expense until departure.⁸⁶ A further, even more exasperating regulation was introduced in 13

⁸⁴Cowper's first report on Puerto Rico for 1873. P.P. 1874, p. 886.

⁸⁵Report by Consul Pauli on the Trade and Commerce of Porto Rico for the Year 1876. P.P. 1877 [C.1855] LXXXIII.3, p. 1538.

⁸⁶P.R.O., F.O. 72/1608. Gibbons to the Earl of Granville, 13 May, 1881.

September 1883 requiring all shippers of goods from Puerto Rico to foreign countries to have their invoices certified by the consul of the country to which the goods were being shipped, and likewise, that the invoices of all goods coming from foreign ports to Puerto Rico be certified by the Spanish consul at the port of departure. Here merchants and consuls drew the line. The merchants of San Juan protested *en masse* to the Governor who promised to consult Madrid via telegraph. Consul Stevens for one, grudgingly agreed to comply with the regulation but flatly refused to be made responsible for the contents of cargoes. In a dispatch to the Foreign Office he pointed out how detrimental such a measure would be to English shippers as the mixed nature of their cargoes meant that the invoices of any one shipment could be "counted by the scores". For each one of these, the shipper would have to pay the notoriously high fees charged by Spanish consulates. The fund raising intentions behind this new measure were quite obvious and they were quickly recognised as such by the Foreign Office where it was noted that it was "simply levying a tax on British subjects to pay the salaries of Spanish consuls." The decree was never officially revoked, but due to its unpopularity, it was not enforced either.⁸⁷

Problems arising from fines continued until the very end of Spanish rule in Puerto Rico. In 1895, Consul Vecqueray was still warning British ship-owners and masters of the need to have their manifests in order when trading with Spanish colonial ports, adding that little leniency was observed for non-compliance or errors. As an example, he mentioned the case of a British ship bringing lumber from Apalachicola, Florida (U.S.A.) to San Juan, in which, due to a clerical error, the deck load had been omitted from the manifest. Upon arrival at San Juan, the consignees noticed the omission and, to

⁸⁷P.R.O., F.O. 72/1658. Stevens to the Foreign Office, 15 September, 1883 and 17 November, 1883.

prove that there had been no intention of fraud, went immediately with the ship's master to the customs house to declare the error and request permission to alter the manifest. Not only was the permission denied, but the master was fined \$172.00 and told through the consul by the chief of customs that he ought to be thankful that he was not charged the full fine of \$13,000!⁸⁸

The system of fines undoubtedly obstructed foreign shipping in Puerto Rico and probably went a longer way than the Spanish authorities might have expected in hindering the island's foreign trade as it gave Puerto Rico a bad name amongst shipping companies abroad. In 1873, Cowper, thundering in his characteristic style against the Spanish authorities, had declared it to be a delicacy shown towards Spain "not to claim redress from her, out of consideration of her present unfortunate condition". He believed that this situation was sure to undermine the commercial relations between Britain and Puerto Rico as vessels would soon tire of the extortionate and unfair fines which were sometimes impossible to avoid, and would seek freights from other ports instead. Spurred by his anger Cowper predicted a virtual uprising:

This subject of fines has reached a point of tension which will bear no more straining and the victims will soon put their 'feet down', as the Americans say and will not pay; then there will be seizures of ships, perhaps of mail steamers and much more serious questions will arise to embarrass the Spanish Government than mere claims for justice.⁸⁹

Cowper's revolt never actually took place, although

⁸⁸Vecqueray's report on Puerto Rico for 1895. P.P. 1896, pp. 685-686.

⁸⁹Cowper's first report for 1873. P.P. 1874, p. 886.

in 1876 a very tense situation arose after the United States schooner "Barracoa" was fined \$4,500 pesos gold at Ponce for what amounted to a simple clerical error. The captain was given a fortnight to settle the fee, failing which the Spanish authorities threatened to confiscate his vessel and sell it. A Spanish gunboat was immediately sent to guard the schooner's movements. As the fine was apparently greater than the value of the ship, nobody in Puerto Rico was willing to become responsible for the amount. Consul Pauli described the events that ensued:

The termination of this affair was interesting and characteristic of the two nationalities.

The Spanish gunboat being tired of the blockade, went out on a short cruise, and the American vessel promptly slipped her cable, made sail to a fresh breeze, saluted the Custom House with her flag and went to sea; she will probably not trade again with Porto Rico.⁹⁰

Cowper, who had been posted to Cuba in 1874, must have taken great pleasure in receiving news of this amusing incident. He would have doubtless also felt slightly vindicated in his prediction that frequent and unfair fines would give Puerto Rico and Cuba a bad name amongst foreign shippers. A New York newspaper article reporting on the "Baracoa" incident stated clearly that "very few [ship] owners care to charter for that Island" (i.e. Puerto Rico).⁹¹ Years later Consul Hertslet signalled out the fines as one of the main reasons why British shipping did not increase significantly after British colonial trade was classified under the category of direct trade following the Anglo-Spanish convention of

⁹⁰P.R.O., F.O. 72/1483. Pauli to Derby, 12 January, 1877.

⁹¹Clipping from *The Shipping and Commercial List*, New York, 4 November, 1876, enclosed in P.R.O., F.O. 72/1484. Pauli to Derby, 12 January, 1876.

1886.⁹² They also probably explain to a great extent the Royal Mail Steam Packet Company's dwindling interest in Puerto Rico during the 1880's. In all justice, Cowper could consider himself entitled to class this unfortunate system as "a blot upon the character of a Government calling itself (at least in 1873) a republic."⁹³

⁹²Hertslet's report on Puerto Rico for 1886. P.P. 1888, p. 375.

⁹³Cowper's first report on Puerto Rico for 1873. P.P. 1874, p. 887.

CHAPTER 3. TRANSPORT AND COMMUNICATIONS: THE EFFECTS OF THE INFRASTRUCTURE ON PUERTO RICO'S FOREIGN TRADE

1. Shipping

It is now clear that Puerto Rico's tariff, its port charges and system of fines which surrounded the manifest were all geared towards favouring Spanish shipping during the whole of the nineteenth century. The equalisation of port charges in 1868/69 and the 1887 treaty which allowed British colonial trade to enjoy the lower rates of direct trade were the only concessions made by the Spanish government to soften their very successful protective policy in favour of the world's largest merchant marine.

During the early decades of the 19th century, Britain's preeminence in world shipping became very obvious. It's closest competitor, the United States possessed, on average, less than half of the tonnage of the British merchant marine as can be surmised in Table 56.

Nevertheless, there was no doubt as to the substantial advance in United States shipbuilding during the early decades of the century. While Britain was still relying on ship designs than had improved little since the 17th century, United States shipbuilders were constantly innovating, increasing the size of their ships, making their designs more effective and introducing greater speed. As an example, R.H. Thornton states that, while in the early years of the century, the average British ship engaged in Atlantic trade registered about 250 tons, the United States, between 1815 and 1840

was producing packet ships of 500 tons, steadily increasing to up to 1,200. In the 1790's, British ships plying between Liverpool and Philadelphia could take up to 68 days in the crossing (in contrast, Thornton reminds us that the "Mayflower" only took 66 days in 1620) whereas between 1816 and 1825, the United States "Black Ball" line of monthly packets could claim an average of 23 days from New York to Liverpool, and 40 days from Liverpool to New York. Furthermore, the United States was the first to introduce regular scheduled sailings adding a new dimension of punctuality and certainty that was very appealing to business.¹

Table 56. Tonnage of United States and British Merchant Marines (1800-30)

Year	United States	Great Britain
1800	1,383,739	4,586,069
1810	2,137,174	5,458,599
1820	1,920,251	5,959,334
1830	1,787,663	5,696,592

Source: Rippey, *op. cit.*, p. 306.

It is no surprise, therefore, that in spite of the much greater tonnage of the British merchant navy, United States ships, due the proximity of their homeland, figured more prominently than British ships in the list of arrivals of foreign vessels at Puerto Rican and Cuban ports during the first half of the nineteenth century. What is interesting, however is how the number of United States merchant ships visiting each island compared with

¹R.H. Thornton, *British Shipping*. Cambridge, University Press, 1939, pp. 6-7.

the number of heavily protected Spanish vessels. In Puerto Rico, the Spanish protective policy was doubtless effective. Spanish ships always outnumbered those of any other individual nation in Puerto Rico, holding an average of around 50 per cent of the island's shipping between 1840 and 1895. Lindegren reported in 1844 that out of a total of 1,070 ships entering Puerto Rican ports, 431 were Spanish, 361 were American, 85 were British, and 193 belonged to other nations.² In Cuba however, the predominance of United States ships over those of all other nations, including Spain was remarkable. The pattern had been set during the Napoleonic Wars when United States vessels became the only reliable source of supplies to the Spanish Caribbean. True, these were exceptional circumstances which touched Puerto Rico as well as Cuba, but all evidence seems to indicate that, while in Puerto Rico, arrivals from countries other than the United States slowly increased and the island soon fell in line with Spanish protectionism, this was not the case in Cuba. In 1826, 783 out of 964 vessels entering the port of Havana were American.³ According to data from Ramón de la Sagra, between 1826 and 1830, there were three times as many visits from United States than from Spanish ships to Cuba, and the proportion of United States to British ships was roughly six to one.

As commercial ties between Puerto Rico and Great Britain became stronger, the proportion of British ships entering the island's harbours increased, but it would be a mistake to relate the growth of the trade between the two countries directly to the increase of British vessels at Puerto Rican ports. The protective policy of Spain towards its merchant navy resulted in a complex system of

²P.R.O., F.O. 72/706. Lindegren's Report on Puerto Rico's Trade for 1845.

³Hugh Thomas, *Cuba or the Pursuit of Freedom*. London, Eyre & Spottiswoode, 1971, p. 194.

transportation of foreign trade. In 1833/34 the United States had imposed high tonnage dues on all Spanish ships in retaliation for that country's protectionism. Spain had, in turn raised tonnage dues for United States ships arriving at Cuba and Puerto Rico to \$1.00 per ton, as opposed to the fee of 68.75 cents charged to all other foreign vessels. United States imports, however, consisted mainly of provisions which paid relatively low duties in the tariff. They could therefore bear the burden of higher tonnage dues with relative ease. Spanish vessels arriving at United States ports had no such advantage and consequently almost all of the sugar and molasses destined for the United States was transported in American ships. Freight rates were consequently set in the United States and tended to be comparatively high as there was no competition. These stood at around 37.5-42 cents per 100 lbs. of sugar in the 1850's.⁴

The case of Britain was very different. British merchandise arriving at Puerto Rico consisted mainly of manufactures, coal and machinery. Textile manufactures were highly taxed by the tariff and the payment of high tonnage dues would have made it impossible for them to compete with the cheaper Spanish goods. It therefore became the norm to transport British goods to Puerto Rico in Spanish vessels. The only exception to this rule was coal which initially paid very low duties and was later declared duty free. Ships carrying only coal also enjoyed discounts in port charges. As a result, and because coal remained a British monopoly in the island for the greater part of the 19th cent., this trade was carried on almost exclusively in British vessels. Machinery, another typical British export, was duty free after 1815, but due to its nature, orders were, on the whole, numerically small and were often transported in

⁴Sonesson, "Puerto Rico's Commerce...", p. 344.

Spanish vessels together with mixed cargoes, although full shiploads of machinery arriving in British vessels were also possible. In the 1840's and 1850's the majority of British ships arriving at Puerto Rico had not set out from Britain at all but from Canada, whose exports (mainly salt fish, a few provisions and lumber) like those of the United States, paid low import duties at the island's customs houses.

The transport of Puerto Rican exports to Great Britain did not represent a problem and appears to have been carried out on both Spanish and British vessels. British coal vessels would often unload their duty-free cargo and re-load with sugar before turning back for British ports, a practice which was not unique to Puerto Rico and which linked Britain's merchant marine with the promotion of its coal industry. "The British shipping industry," says D.C.M. Platt, "with its return freights of bulk primary produce from Latin America, Africa and the East, could offer low outward freights for coal where the only alternative was ballast".⁵ Many ships did arrive in ballast relying only on their homeward freight for remuneration, a situation which caused bitter complaints from Cowper in 1869.⁶

In England, the port of destination of British ships laden with Puerto Rican produce was usually either Liverpool or London. Liverpool appears to have headed the list in 1846 when Puerto Rican sugar was first admitted for home consumption. Lindegren reports Cowes, in the Isle of Wight, and the Irish port of Cork as two frequent destinations for British vessels leaving Puerto Rican ports. Neither port figured in any respect as an important sugar refining centre, and the consul was probably referring to the first port of call of the

⁵Platt, *op. cit.*, p. 246.

⁶Cowper's report on Puerto Rico for 1869. P.P. 1869-70, p. 369.

vessels on their way to London or Liverpool.⁷ A Parliamentary report dated 1854, (reproduced here as Table 57) reveals which of the ports of the United Kingdom were receiving most of the island's sugar. In the report no distinction is made as to whether the produce arrived in British or foreign vessels. It is clear that the favourite English port of entry was the

Table 57. Quantity of Puerto Rican Muscovado Sugar Arriving at each of the Principal Ports of the United Kingdom in 1854 (in cwts.)

Ports	Brown Muscovado (Duty 11s./cwt.)	Yellow Muscovado (Duty 12s./cwt.)	Total
London	6,579	151,020	157,599
Liverpool	6,568	32,724	39,292
Bristol	3,879	3,492	7,371
Plymouth	0	2,580	2,580
Whitehaven	0	453	453
Leith	23	18	41
Glasgow	0	0	0
Port Glasgow	0	0	0
Greenock	8,207	13,569	21,776
Dublin	1,878	17,489	19,367
Belfast	1,851	10,043	11,894
Cork	0	0	0
Others	150	12,924	13,074
TOTAL	29,135	244,303	273,438

Source: P.P. 1854-55 (246) L, pp. 706-707

⁷P.R.O., F.O. 72/706. Lindegren to Aberdeen, 26 January, 1846. Addendum.

capital, followed by Liverpool. The Scottish port of Greenock, a very important refining centre, received the third largest quantities, followed by Ireland's two main ports, Dublin and Belfast. The English experience would indicate that, unless some unlikely swerve had occurred during that decade shifting the interest of trade with Puerto Rico away from Liverpool and towards London, it is safe to suppose that most British owned vessels engaged in this trade were based in Liverpool while foreign vessels, presumably Spanish, opted for London as a port of disembarkation. Indeed, by the middle of the 19th century, the ties of Liverpool with the world across the Atlantic were much stronger than those of London, which would further lead us to believe that although transportation of Puerto Rican sugar to the UK in British ships was not uncommon, most of this trade was, like the trade in British exports, carried out in Spanish ships.

Up until the 1860's, the patterns of shipping with respect to Puerto Rico were those described above. The advent of steam shipping, the United States Civil War and changes in the nature and direction of the island's trade were to alter the whole structure of ocean transportation.

During the first three decades of the nineteenth century, while United States shipbuilders were perfecting their sailing vessels and the American merchant marine was experiencing a dramatic growth in size and efficiency, the British shipping industry remained surprisingly static. In what appeared to be an acute case of resting on one's laurels, the tonnage of the British mercantile marine experienced virtually no growth between 1815 and 1835. The menace of United States competition seemed ominous and would have almost certainly proved fatal had it not been for the timely adoption of the steam engine by the British shipping industry. In the thirty years between 1808 and 1838, the technical superiority of steam over sail became evident.

It did however take another thirty years before the tonnage of steam-propelled ships built in any year exceeded that of sailing vessels.⁸

Ironically, the large amounts of time, effort and money which United States shipbuilders had invested in perfecting their mercantile marine in the early decades of the century, made them loath to relinquish their interests in sailing for this new and so obviously superior form of locomotion. Pioneering efforts, like that of Robert Fulton, whose steam-propelled ferry between Albany and New York, the "Claremont", became the world's first commercial steam vessel in 1807, met with the open hostility of sail-ship owners who went as far as to encourage their captains to accidentally collide with the freakish new craft whenever they could discreetly do so.⁹

Of course, such intense hostility eventually abided and the United States became notorious for the high quality of its paddle steamers in river navigation. For many years, in both countries, steam shipping was indeed confined to short journeys. The constant need for refuelling meant that early steam vessels seldom strayed too far from land and the space and weight taken up by the coal needed for a transatlantic journey made the idea of ocean-going steamers seem improbable. Gradually, however, this obstacle was overcome by excellent feats of British engineering. The 1840's inaugurated the era of ocean-going steam-navigation with the establishment of such renowned lines as the Peninsular and Oriental (P&O), the Cunard and the Royal Mail Steam Packet Company each one connecting Britain with different corners of the world and together covering most of its surface.

The progress in the design of steamships meant that, as the century advanced, increasingly more cargo was

⁸Thornton, *op. cit.*, p. 8.

⁹*Ibid.*, pp. 10-11 & 14.

transported by steam rather than sail. Its advantages over sailing were obvious. Steam ships were safer, a fact which reduced the cost of insurance. They were more reliable in terms of dates of departure and arrival, and they were faster. For exporters of muscovado sugar, this had the added advantage that their produce would lose less weight in transit. Towards the end of the century, the predominance of steam over sail was undisputable. In Britain, the average steam tonnage during the last decade of the nineteenth century was about double that of sailing.¹⁰ By 1894, out of 1,030 ships arriving at Puerto Rico, 683 were steamers, almost double the total of sailing vessels (347).¹¹ The total number of vessels entering the island's harbours had actually declined from the first total of 1,070 reported by Lindegren in 1844, but the tonnage was ten times greater: 1,185,365 tons in 1894 as opposed to 112,151 for 1844.¹² The fact is hardly surprising when we consider that the average ocean-going ship was no longer the 250 ton craft of the beginning of the nineteenth century. Already in 1853, the Cunard line possessed vessels of 2,000 tons register.¹³

The active application of steam to mercantile shipping by the British pushed the United States shipping industry into the rearguard. Not only were the Americans much slower in taking up the challenge of steam, but in the 1860's their existing navy was dealt a serious blow as a result of the Civil War. According to Mitchell and Mitchell:

Foreign trade in national ships...declined drastically; five thousand were sunk or

¹⁰Mathias, *op. cit.*, p. 288.

¹¹Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 586.

¹²P.R.O., FO. 72/706. Lindegren's report on Puerto Rico for 1845; and Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 586.

¹³Thornton, *op. cit.*, p. 33.

burnt by Confederate vessels, transferred to other countries or requisitioned by the army or the navy. Many remained idle in the ports through fear of what might happen to them should they venture out, or because tradesmen were not interested in them in view of the numerous foreign crafts which took advantage of the situation by making themselves readily available. The proportion of (United States) trade carried in national ships during the war fell to less than one third of what it had been.¹⁴

In Puerto Rico, the US Civil War meant, not only a general contraction in the trade with that nation, but also, an even more noticeable decline in the number of United States vessels arriving at the island's ports. British sea-captains undoubtedly formed the vast majority of those wily foreigners which profited from the American nation's sad state of affairs acting as carriers for United States traders in the dangerous southbound voyage to the Caribbean. The proportion of ships of British registration arriving at Puerto Rico increased as United States arrivals became less frequent. In 1860, 312 British vessels had visited the island compared to 461 from the United States. In 1864, British vessels numbered 279 while only 159 United States ships touched at Puerto Rican ports.¹⁵ There is no doubt, however, that not all of these ships were really British. Many northern ships continued to operate during the war taking the precaution of changing their nationality at Nassau, in the Bahamas, thus reaching Puerto Rico under the British flag while in fact being United States ships.¹⁶ Conscious of this fact, Consul Cowper predicted in 1864

¹⁴Broadus Mitchell and Louise Pearson Mithchell, *American Economic History*. Cambridge, Mass., 1947, p. 534, from Ely, *op. cit.*, p. 283. (My translation.)

¹⁵P.R.O., F.O. 72/1046. Cowper's report on Puerto Rico for 1860; and P.R.O., F.O. 72/1127. Cowper's report on Puerto Rico for 1864.

¹⁶P.R.O., F.O. 72/1046. Cowper's report on Puerto Rico for 1860.

I am sorry to say that I think it will be found when peace is established between the contending sections of the Union and American vessels resume their national flag, that real British shipping with the Island has considerably fallen off within the last few years.¹⁷

In fact, Cowper's bleak prediction did not come true. When the war came to an end, the number of vessels entering Puerto Rican ports under the British flag did decline, but the increase in the United States ships proved to be a slow process as the United States government refused at first to issue new registers to those ships which had abandoned their nationality. Even when the situation had regained all normality, British shipping at Puerto Rico had actually increased and continued to do so until the end of the century. By then, there was no question as to Britain's superiority at sea. In the years preceding the First World War, the British mercantile marine had the largest carrying capacity and the best quality and most modern ships in the world. Shortly before the war, with 11,538,000 tons of steam vessels, equivalent to 44 per cent of the world's steam tonnage, Britain's closest competitor, Germany, could boast a mere 3,096,000 tons which accounted for only 11.9 per cent of the world's total. As for the United States, it remained third with a modest steam tonnage of 1,195,000, or 4.6 per cent of the world's total.¹⁸

Already in the 1860's the British tramp carrier was becoming an institution. These were vessels, sometimes sailing ships but increasingly steamers, which lay always ready to be chartered to transport goods for third parties without even touching at national ports. They soon filled the gap left by the depletion of the United

¹⁷P.R.O., F.O. 72/1105. Cowper's report on Puerto Rico for 1864.

¹⁸Platt, *op. cit.*, p. 120.

States merchant navy. Already in 1867, Cowper reveals that, in Puerto Rico, the great bulk of the carrying trade was in British hands.

Thus, after the United States Civil War, although most British vessels arriving at Puerto Rico were still carrying Canadian trade (a good 80 per cent of laden ships in the 1880's) British shipping in the island had been enhanced by United States cargoes. A considerable number of these ships still arrived in ballast, 91 out of 238 in 1882.¹⁹ They loaded sugar and molasses before proceeding on their journeys, either home (something which became less frequent as British purchases of Caribbean sugar fizzled out in the late 1870's) or bound for North American ports.

It remained an ironic fact that most British imports were still arriving at Puerto Rico in Spanish ships (coal continued to be the only important exception) a fact which did not change, at least not officially, throughout the rest of the century. English merchants, however soon found a way round the official protective policy. In the early 1870's, at least two shipping companies, specialising in trade with Puerto Rico, were set up with British capital, but registered as Spanish. Both of these firms were based in Liverpool. The first one, which apparently started business around 1872, was owned almost exclusively by British capitalists. It was registered under the name of "a Spanish gentleman", whose identity we do not learn through the consular reports, and managed by Messrs. White, Foreman & Co. of Liverpool. In 1887, one of the partners, Foreman, was substituted by a Mr. Genn.²⁰ By 1882, they owned four steamers: the "Humacao", of 1,600 tons register, the "Cádiz" and the "Puertorriqueño", each with a register of 1,300 tons; and the "Borinquen" of only 800 tons. Each of these vessels

¹⁹Stevens' report on Puerto Rico for 1882. P.P. 1884, p. 135.

²⁰Hertslet's report on Puerto Rico for 1887. P.P. 1888, p. 175.

completed 4½ voyages each year. They all plied between Liverpool and Puerto Rico, hailing at Bilbao and occasionally at Santander and other Spanish ports. The crew was Spanish, as required by law.

Their charges were described as moderate and their commanding officers were experienced and well acquainted with the island's port and customs regulations, generally managing to avoid "coming into collision therewith".²¹ They specialised in inward freight, bringing British manufactured goods, cleaned rice and sometimes flour from Santander. In 1882 alone, they carried 24,000 tons of British imports to Puerto Rican ports. They also did business in carrying what produce was still being conveyed from Puerto Rico to Britain. That same year, 1882, they transported approximately 5,400 tons of sugar to Liverpool.²²

The second line of Liverpool steamers set up directly to service the trade between Great Britain and Puerto Rico, started business in 1882. Although it too counted on British investors, this one was owned principally by Spaniards. It operated under the names of Messrs. Olano, Larrinaga and Co. who were also the managers. Their service and conditions were very similar to those of White, Foreman & Co., also having 4 vessels: the "Mayagüez" of 800 tons register, the "Buenaventura" and the "Emiliano", of 1,300 tons each; and the "Ava" with a tonnage capacity of 1,400. Apart from transporting British imports to Puerto Rico, this firm carried small quantities of coffee, tobacco and cattle from Puerto Rico to Cuba.²³

This convenient hybrid arrangement worked to perfection and with the assistance of the two Liverpool

²¹Gumbes' report on Mayagüez for 1872. P.P. 1873, p. 1059; and Stevens' report on Puerto Rico for 1882. P.P. 1884, p. 135.

²²Stevens' report on Puerto Rico for 1882. P.P. 1884, p. 135.

²³*Loc. cit.*

lines, the trade in British imports flourished and reached its peak in Puerto Rico. Furthermore, while complaints of British consuls regarding fines did not disappear altogether, these were somewhat reduced.

One interesting innovation in shipping which appeared parallel to the emergence of steam navigation on a commercial scale was the development of mail steam packet companies which specialised, not in conveying cargo but in transporting mail and passengers from one country to the other. Given Britain's head start in steam navigation, it was fitting that the first of these companies, which started in the 1840's would be British concerns, and mail steam packets were indeed the first vessels to attempt ocean navigation propelled by steam on a regular basis. The light nature of their cargo made them ideal for these pioneering efforts as they were not preoccupied with the conveyance of bulky goods which the necessity of carrying large amounts of fuel made practically impossible at this early stage. Three of the most celebrated of these lines, the Cunard, Peninsular and Oriental (P&O) and Royal Mail Steam Packet Company -- the first two of which have survived to this day-- commenced operations in the opening years of the 1840's. The Cunard line obtained the contract for conveying mails across the Atlantic to the United States, while the P&O carried the correspondence to the Iberian Peninsula, the Middle East and India. The third company, the Royal Mail Steam Packet Company, was set up to service the West Indies.

The expansion of Britain's manufacturing sector, with its unprecedented increase of business transactions both at home and abroad soon revealed the necessity of improving communications at all levels. Rowland Hill's reorganisation of the inland postal service through what became known as the penny post, found a parallel at sea in James MacQueen's proposals for developing an orderly world-wide network of routes under the British flag to

distribute the foreign post which until then had remained the responsibility of the British Admiralty. The service offered by the Admiralty left much to be desired.

The mails were carried across the Atlantic by so-called 'coffin brigs' entirely under sail... In the West Indies, the larger islands were served by old ten-gun brigs converted to steamers by the addition of steam engines of 100 horse-power... In absence of other provisions for them, Her Majesty's mails were crammed into empty passenger berths when available, or otherwise stacked under the saloon table. Such was the West India mail service of 1837.²⁴

James MacQueen, who had managed a sugar estate in Grenada for many years, was very familiar with the whole of the Caribbean basin. In 1837, he presented a plan to the government for a steam packet service between England and the Caribbean. In 1839-40, it was approved and the Royal Mail Steam Packet Company, based at Southampton, came into existence with an annual government subsidy of £240,000.²⁵

In November, 1840, James MacQueen himself set out to the West Indies and spent a whole year there interviewing heads of state, colonial governors, postal officials, port officials and merchants. He appointed representatives for the company at every port and made the necessary arrangements for the provision of coal and supplies to the steamers.²⁶ One of the ports which MacQueen touched upon on his visits was San Juan, and we learn from Consul Cowper twenty-three years later, that the Governor was approached by the company (no doubt by

²⁴T. A. Bushell, *"Royal Mail". A Centenary History of the Royal Mail Line. 1839-1939.* London, Trade and Travel Publications, 1939, pp.3-4.

²⁵*Ibid.*, pp. 2-18.

²⁶*Ibid.*, p. 20.

MacQueen) with a petition to make that port the transfer station of the Royal Mail Steam Packet Company. The petition, however was rejected, according to Cowper, on the grounds that so great an influx of foreigners would endanger the Catholic religion. Thus Puerto Rico lost an opportunity which the consul estimated might have added, by 1863, "at least 400,000 souls to the island's population and a good £2,000,000 annually to its commerce."²⁷

Puerto Rico was not alone in refusing the Royal Mail use of its territory for a transfer station. Samana Bay, in Santo Domingo, similarly rejected such a proposal. As a result, Turks Island was considered but finally turned down in favour of the excellent harbour of Charlotte Amalie in St. Thomas.²⁸ St. Thomas therefore became in 1842 the end-point, repair and bunkering station for the Royal Mail in the Caribbean, with its own Post Office to support the distribution system, a fact which gave the small island a leading edge as the principal communications centre in the Eastern Caribbean.²⁹

The original contract specified a service leaving Southampton twice each calendar month. Steamers would stop at Falmouth to pick up the mails as, traditionally, this port had housed the general post office. They would then proceed towards the Caribbean, stopping at La Coruña and Madeira for coal, the journey taking, on average 18 days and 18 hours. The steamers would arrive first at the island of Barbados. From there, they proceeded to Grenada, Santa Cruz, Saint Thomas, Nicola Mole, Santiago de Cuba, Port Royal, Savanna la Mar and Havana. Seven steamers and three sailing vessels connected with the main line at various ports forming a complex network of

²⁷Report by Mr. Consul Cowper on the Trade of Puerto Rico for the Year 1862 (Second Report). P.P. July 1862-63. 1863 [3229] LXX.1.

²⁸Bushell, *op. cit.*, p. 26.

²⁹Sonesson, "Puerto Rico's Commerce...", p. 327.

routes. The line served all the main islands and countries of the Spanish Main plus the two northern ports of Halifax and New York. Besides conveying passengers and mail, the vessels were seen to serve a quasi-diplomatic purpose, acting as ambassadors of the good will of their home country. A Royal Mail captain was required, whenever possible, to "pay his respects in person to the Governors and others in authority in the Colonies; and endeavour by every means in his power to cultivate a good understanding with all".³⁰

On their return voyages, steamers belonging to the main line visited the same ports in reverse order as far as Nicola Mole, from where they proceeded to Saint Thomas before resuming their course back to Southampton with a stop for coal at Bermuda. The original route, of course, suffered changes in time. New stops, such as New Orleans, were added to the itinerary. Others, such as the stops at New York and Halifax, were found to be uneconomical and eventually dropped. The stop at Falmouth became unnecessary when mails began leaving directly from Southampton, and stops for coal became less frequent as steam navigation was refined yielding more power per input of coal. A reduction in the amount of coal needed for a transatlantic journey also meant more storage room aboard the ship, and eventually, besides passengers and correspondence, mail steam packets began to carry a certain amount of cargo.³¹

In 1868, there were talks that the Royal Mail was to remove its West Indian headquarters from St. Thomas. Puerto Rico was again considered for the post of windward transferring station, this time with the government's approval, but although "very promising offers" were made by the company, the transfer never took place. Nevertheless, the line was already making what Cowper

³⁰Bushel, *op. cit.*, p. 35.

³¹*Ibid.*, pp. 9 and 25-53.

described as a handsome revenue from the island. In passenger fares alone, to and from Puerto Rico, the company was earning approximately £10,000 per annum in the late 1860's. The British Post Office had a San Juan branch which transmitted 57,233 letters from Puerto Rico to other ports in 1869 alone, plus 329 packages of newspapers. The total postage value, all of which was prepaid, came to over £5,700. In addition to that sum, £890 worth of British postage stamps had been sold in San Juan that year.³² The Royal Mail's interest in Puerto Rico was therefore well justified and in the decade that followed it showed increasing participation in the island's ports.

In 1870, the Royal Mail steamers were calling twice a month at San Juan.³³ Their service was described as very regular by Vice-consul Gumbes at Mayagüez in 1872, who added that it offered immense advantages for commercial travelling, especially to Europe, and was certain to enhance the island's trade. Indeed, it was the unfair imposition of fines on Royal Mail vessels that mostly enraged Cowper, prompting him to write the long and querulous 1873 report previously examined. He repeatedly expressed his anger and amazement at the way in which a company which offered such an important and useful service was being treated and went as far as to recommend the line to cease transporting any articles that might be classed as imports of which Royal Mail steamers carried, to Puerto Rico, only very select and valuable items, capable of bearing the differential duties imposed upon them at customs.³⁴

In spite of obnoxious fines and high port charges,

³²Cowper's report on Puerto Rico for 1868. P.P. 1868-69; and Cowper's report on Puerto Rico for 1869. P.P. 1869-70.

³³Cowper's report on Puerto Rico for 1870. P.P. 1871, p. 760.

³⁴Cowper's second report on Puerto Rico for 1873. P.P. 1874, pp. 38-39.

the British steamers not only continued to arrive at Puerto Rican ports, but they expanded their service throughout the island. In 1874, there were plans to open a new line between Mayagüez and New York.³⁵ In 1876, the company's ships were stopping four times a month at Ponce. Cowper's advice had obviously not gone unheeded as Vice-consul Gibbons described the steamers as mail carriers and passenger boats, conveying freight only in their outward journeys, especially coffee to Europe.³⁶

At its peak, around 1875, the Royal Mail steamers were entering Puerto Rican ports at the astonishing rate of approximately 360 times a year.³⁷ But competition was not slow in coming. Already in 1872 we learn from Vice-consul Gumbes that Spanish steamers were vying with each other in heavy abatements to their former rates of freight trying to attract potential customers away from the British firm.³⁸ Competition did not only come from Spanish vessels: French and German firms soon joined in. Out of 194 mail steamers visiting the island in 1873, Britain was still ahead with 96; the Spaniards followed closely with 72 vessels; the French with 24; and the Germans were last with only 2 steamers.³⁹ The following year, we learn from Consul Pauli that French and German steamers were stopping at San Juan once a month, Spanish steamers twice.⁴⁰ These lines soon began to branch out to the main provincial ports. The French steamer began to call at Mayagüez in 1875 and two years later at Ponce.

³⁵Gumbes' report on Mayagüez for 1874. P.P. 1875, p. 806.

³⁶Gibbons' report on Ponce for 1876. P.P. 1877, p. 1527.

³⁷Report by Consul Pauli on the Trade and Commerce of Porto Rico for the Year 1875. P.P. 1876 [C.1486] LXXV.1.

³⁸Gumbes' report on Mayagüez for 1872. P.P. 1873, p. 1059.

³⁹Cowper's first report on Puerto Rico for 1873. P.P. 1874, p. 886.

⁴⁰Pauli's report on Puerto Rico for 1874. P.P. 1875, p. 804.

It soon proved successful at taking business away from the Royal Mail Company, especially that of passengers and parcels destined to France, by offering cheaper fares and a direct service to its home country. In the meantime, both Ponce and Mayagüez were already being serviced by a line of German steamers which concentrated mainly on cargo. In 1876, this line was reported to have done only limited business at Mayagüez, but this did not stop the company from considering the opening of a new line between that port and New York for the following February.⁴¹ A veritable "sea-fare war" broke out amongst the different companies worthy of today's air transport companies, resulting in cheaper rates for both European and intercolonial passenger and freight travel.⁴²

In 1878, the very punctilious Consul Bidwell included in his report a schedule of all monthly arrivals and departures of steamers at San Juan. Although Spanish ships as a whole were already dominating this traffic, the single company which called most often at San Juan was still the Royal Mail Steam Packet Company.⁴³ But already the competition was beginning to take its toll. At Mayagüez, the French line, the *Compagnie Generale Transatlantique*, had already overtaken the Royal Mail Company.⁴⁴ Consul Hertslet's report for 1885 informs us that only 11 Royal Mail steamers stopped at Puerto Rican ports that year. The following year the number was down to only four. In 1887, the company officially discontinued its bi-monthly service between Puerto Rico and St. Thomas for several months, causing great

⁴¹Gibbons' report on Ponce for 1876. P.P. 1877, pp. 1527-1528; Gumbes' report on Mayagüez for 1876, P.P. 1877, pp. 1519-1520; and Cowper's report on Puerto Rico for 1873. P.P. 1874, p. 907.

⁴²Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1635.

⁴³*Ibid.*, p. 1655.

⁴⁴Report by Vice-consul Gumbes on the Trade and Commerce of Mayagüez for the Year 1878. P.P. 1878-79 [C.2421] LXII.1, p. 1660.

disruption to the mail services between the two islands.⁴⁵

The Royal Mail Steam Packet Company continued a limited service to Puerto Rico until the closing years of the nineteenth century. By 1898 it was reduced to a monthly service from Barbados via Saint Thomas.⁴⁶ Competition from Spanish and other foreign lines, it would appear, was mainly responsible for this reduction, although the frequent and unfair fines doubtless contributed to this situation.

Steam shipping soon became absorbed into the patterns of sailing developing a heavy bias in favour of Spain. By 1887, the island was being serviced by the large mail steamers of the Spanish *Compañía Transatlántica*, two of which left Spain every month directly for Puerto Rico and Cuba. There were also the two Liverpool lines; a monthly intercolonial transport service; fortnightly calls from the vessels of another Spanish steam company, *Sobrinos de Herrera*; and a Catalan line from Barcelona whose vessels touched upon Puerto Rico en route to Havana. The British steam company was not the only foreign line to cut back its service to Puerto Rico. The French line had cut its bi-monthly visits by half. Visits by German steamers that year amounted to only 11; and a monthly steamer belonging to a relatively new line, the United States and West India, had apparently discontinued its service altogether.⁴⁷

British shipping companies did not lose interest altogether in Puerto Rico. As we have seen, the so-called "tramp" trade which prevailed in the world's largest mercantile marine meant that British vessels,

⁴⁵Hertslets' reports on Puerto Rico for 1886 (P.P. 1888, p. 376) and for 1887 (P.P. 1888, p. 175).

⁴⁶Churchward's report on Puerto Rico for 1899. P.P. 1900, p. 337.

⁴⁷*Loc. cit.*

steam or sail, often stopped at island ports to deliver United States or Canadian goods and/or to load with produce bound for North America. Furthermore, an attempt to develop a totally British line of steamers specialising in travel to the Spanish Caribbean and New Orleans was undertaken in the 1890's. The company, known as the Cuban Line, with headquarters in East India Avenue, East London, commenced operations in 1894. Its two steamers ran a service from London and Antwerp to Puerto Rico, Cuba and New Orleans, and their first year of operations must have proved successful as the following year they added a further vessel to their fleet.

We have no way of knowing just how successful the Cuban Line might have become, for the introduction of United States rule put an abrupt end to the development of international shipping patterns in the island. A regulation was quickly introduced by the United States administration demanding that all traffic between Puerto Rico and the United States be carried exclusively in United States vessels. Consul Churchward rightly notes in his report for 1899 that

British lumber and fish schooners from North American ports will suffer considerably in the loss of their return cargoes, a large proportion of which went to the States. The new rule may very possibly divert the trade in fish and lumber entirely away from British sources.

To give an idea of the loss to British shipping by the enforcement of the above-mentioned regulation, it will be sufficient to quote the totals arrived at in a statement of cargoes shipped in British vessels from Porto Rico to the United States for the year ending June 30, 1898 --supplied to the International Conference at Quebec.

It there appears that, in the 12 months indicated, 29,333 tons of cargo were carried in British bottoms to the

United States."⁴⁸

As Puerto Rico's trade became quickly and totally absorbed by the United States, the requirement of United States exclusivism in transporting the trade between both countries became all-encompassing. Thus the cosmopolitan outlook, which in spite of Spanish restrictions had characterised Puerto Rico's shipping connections as well as its trade throughout the nineteenth century, was irreparably lost.

*2. British trade through the principal ports of Puerto Rico*⁴⁹

When Puerto Rico officially opened itself to trade with foreign countries in the early years of the nineteenth century, it had been the intention of the Spanish authorities to restrict this trade to the port of San Juan, thus continuing along the lines of the previous centuries. Centralisation, it had always been hoped, would facilitate administrative work and the collection of duties therefore minimising customs fraud. Three centuries of contraband in all ports and inlets outside San Juan had proved the intrinsic error behind this theory: if having more customs houses lent itself to fraud, it was only because more duties were being collected. The absence of customs houses was a sure breeding ground for smuggling, their presence an encouragement to legal trade. The sudden legislation of foreign trade, if restricted to the capital, would have made little difference in curbing the habits of a provincial population with a three-hundred year old tradition of contraband, especially when inland

⁴⁸*Loc. cit.*

⁴⁹Please refer to Map 2 (p. 14) throughout this section.

communications were unsatisfactory.

By 1820, the authorities had yielded to reality and foreign vessels were allowed to trade with some island ports under certain conditions. In 1825, permanent permission for this exchange was granted.⁵⁰ Most benefitted by these concessions were the ports of Mayagüez in the west coast, and Ponce in the south. In the late 1830's however, there were new moves towards centralisation, backed by the powerful merchants and importers of the capital in whose interest it was to attract shipping away from the provinces. To this effect, they accused the merchants of the secondary ports of contraband and provincial customs employees of fraud.⁵¹

A change in the colonial administration took place in 1837 and the new Captain-General, López Baños, together with the new intendant, Antonio María del Valle, were instructed to look into the administration of the island's custom houses on arrival, following the recommendations made by their predecessors upon leaving Puerto Rico. The new officials were soon influenced by the San Juan merchants and promptly suggested closing down some secondary ports to imports under the pretext that the honest merchants of the capital could not compete with the smuggling and fraud that was taking place in the provinces. From 1 June, 1839, as an emergency measure, it was decided that the one-employee customs stations at Manatí, Luquillo, Patillas and Peñuelas would be closed. Every other customs house on the island would have at least two employees to discourage fraud.

Debates on a permanent port policy began with the intendant and chief prosecutor manifesting a preference for limiting all imports to San Juan, the political and

⁵⁰Sonesson, "Puerto Rico's Commerce...", p. 38.

⁵¹*Ibid.*, p. 99.

military base of the island from where it would be much easier to control duty collections and curb fraud. It was also hoped that this policy would stimulate road-building and the development of a coastwise fleet.

This project was ultimately rejected as unrealistic and instead it was decided that only European imports would be limited to San Juan. Ponce and Mayagüez were declared first class or primary ports and were allowed to carry these European imports from San Juan and forward them to the smaller ports. The same decree declared Guayama, Aguadilla and Naguabo secondary ports which, like the primary ports could import from America but forward only to ports within their districts. No restrictions were imposed upon Spanish goods in Spanish vessels. Forwarding to San Juan was prohibited to protect the capital's merchants. Six third-class ports (Fajardo, Humacao, Salinas, Guayanilla, Cabo Rojo and Arecibo) were restricted to exports only.

This project was welcomed in the provinces as it allowed the introduction of United States and Saint Thomas imports at six ports quite evenly distributed around the island. Restricting European imports to the capital was not too great a burden for the lesser ports as direct imports from this source were still negligible at this stage. Arecibo and Fajardo however suffered from their new classification as third-class ports as a large proportion of their trade was consequently handled by the capital. Similarly, on the western coast Cabo Rojo found most of its trade being controlled from Mayagüez, while, on the southern coast, Salinas and Guayama became dominated by Ponce.⁵²

This project came into effect locally in 1839 but did not receive Madrid's approval until 22 June, 1841 when two amendments were requested: that European imports be allowed also at Ponce and Mayagüez and that

⁵²*Ibid.*, pp. 99-101.

the three secondary ports of Guayama, Aguadilla and Naguabo be allowed only to import directly from Spain and Cuba. The third-class ports were to be closed to imports and exports. This measure was as unrealistic as it was unpopular as trade through Saint Thomas was still predominant throughout the island and a large proportion of this trade took place precisely through these secondary ports. Given these facts, the Captain General, Méndez Vigo, not only over-ruled the order of 22 June, 1841 but authorised the opening of all thirteen of the ports which had been allowed to receive imports before the changes that took place in 1839.

The governor's sweeping policy created friction with the intendant, Cerrero, who favoured the policy of keeping customs houses throughout the island to a minimum to facilitate the collection of duties. A compromise was thereby sought and finally reached on 15 March, 1842. Cerrero conceded that the secondary ports of Aguadilla, Naguabo and Guayama could not have their needs met by importing from Spain and Cuba alone. Méndez agreed to restrict imports to these three ports plus the capital and the two primary ports of Ponce and Mayagüez. The following year, Arecibo was added to the list of ports open to imports after successful lobbying in Madrid by the town's merchants, who incidentally also enjoyed the intendant's personal backing.⁵³

When Lindegren arrived in Puerto Rico in July, 1844, all trade between the island and his homeland was taking place, usually via Saint Thomas, through the seven ports of San Juan, Ponce, Mayagüez, Naguabo, Guayama, Aguadilla and Arecibo.

The policy of decentralisation of ports in Puerto Rico was given a boost with the ascent into power of the Moderates in Spain after 1843. It was realised that centralisation did not work: it frequently resulted in

⁵³*Ibid.*, pp. 101-109.

the over-stocking of some ports and the under-supplying of others. As a progressive policy, it had failed to encourage private capital to develop the infrastructure by restricting the access to the lesser ports as it had been hoped. Concerning its usefulness to counteract customs fraud, it was rightly argued by the Moderates that it should not matter where customs were collected provided government employees were chosen carefully and that they behaved with all due honesty. In April 1847 the ports of Jobos and Patillas were opened to exports. The following year, in May, Cabo Rojo, Guayanilla, Humacao, Fajardo, Santa Isabel de Coamo, Manatí, Isabel, Aguada, Boquerón, Guánica, Tallaboa, Salinas, Yabucoa and Luquillo were all added to the list of exporting ports. Some of these ports were later closed down but the pattern was set for the rest of the century: the seven major ports remained open to both imports and exports, while a variety of minor ports were allowed only to export.⁵⁴

It would have been hoped that although decentralisation increased the risk of customs fraud (quite simply because there were more customs houses) it would have also helped to discourage contraband by making more ports legally accessible to commerce. Certainly during the nineteenth century, contraband ceased to be the island's main type of trade as had been the case in the previous three centuries of its history, but the long tradition did not disappear completely by any means. In 1856, Consul Hunt estimated contraband in Puerto Rico to be approximately 20 per cent of official gross annual returns, blaming the situation on the high tariff in force.⁵⁵ Ten years later, in February, 1866, the Spanish authorities closed down the ports of Arecibo, Aguadilla and Naguabo to foreign import trade due to the great

⁵⁴*Ibid.*, pp. 120-121.

⁵⁵Hunt's report on Puerto Rico for 1856. P.P. 1855-57.

amount of smuggling that was being carried out through them⁵⁶ only to have to yield to reality the following year and throw them open again.⁵⁷

Smuggling did not abate as the century progressed. If anything, it seems to have become more sophisticated, establishing credit facilities as with legal trade and being responsible for a large drain of much needed currency from the island.⁵⁸ Restrictions on legal navigation and the low salaries of customs officials could only help to further contraband. In Cuba, a similar situation captured the attention of the British navy captain Henry Anthony Murray who remarked on the openness with which people spoke of the authorities' shady dealings and the constant wave of contraband in that island.⁵⁹ In 1899, a United States census on the island of Cuba immediately after the Hispanic-American War found that the contraband which had started centuries before as a result of trade restrictions and monopolies, had continued to that date, and estimated that a trade almost equal to the official one took place yearly in both imports and exports.⁶⁰

Due to its symmetrical shape, Puerto Rico can be divided in four areas for shipping purposes corresponding with the four cardinal points. The islands best port, San Juan, is located on the north coast, together with the port of Arecibo. The fine ports of Ponce and Guayama are on the southern coast. On the west coast can be found the ports of Mayagüez and Aguadilla; while the east

⁵⁶P.R.O., F.O. 72/1105. Cowper to Russell, 28 November, 1865 and 72/1127. Cowper to Russell, 5 January, 1866.

⁵⁷P.R.O., F.O. 72/1153. Cowper to Russell, 1867.

⁵⁸Santiago, *op. cit.*, p. 20.

⁵⁹Henry Anthony Murray, *Lands of the Slave and Free, or Cuba, the United States and Canada*. London, 1855, p. 302. From Ely, *op. cit.*, p. 302.

⁶⁰Ely, *op. cit.*, p. 302.

contains the smaller port of Naguabo which saw considerable commercial activity during the nineteenth century.

When the sugar industry was at its peak, this product was exported from all available island ports. Ships often had to stop at several points to complete a cargo, but the ports did exhibit the peculiarities of the regions for which they were the outlets and these varied slightly throughout the century.

The north coast specialised in exports of sugar and tobacco, and to a lesser degree, cotton and hides. During the early decades of the nineteenth century, San Juan had been an important depot for re-exports of raw cotton from the young republics of Latin America to Spain. By mid-century, it would seem, all merchant companies in the capital specialised in trade with Spain except for the large mercantile house of Latimer and Company.

It should not come as a surprise then that up until the late 1860's, Puerto Rico's trade with Britain via San Juan did not appear impressive. The capital's export trade was not, as a rule, directed towards Europe and British imports entering the island at any of the island's ports, including the capital, were consistently being registered as Saint Thomas merchandise.

When Lindegren arrived in San Juan he found no British subjects living in the city apart from himself and his family. The situation persisted until as late as 1862, when Consul Cowper again reported that there were no British citizens, other than the consul and his family, living within the walls of San Juan. He estimated the total number of Britons residing in the island however, to be somewhere around 100.⁶¹

It is significant therefore that in 1844, when the Captain-General, Conde de Mirasol, found himself

⁶¹P.R.O., F.O. 72/ 1046. Cowper to Russell, 27 September, 1862; and F.O. 96/173. Cowper to Clarendon, 7 October, 1869.

agonising over the prospect of welcoming a British consul in his city, he should contact the San Juan Chamber of Commerce for confirmation that there was no commercial need for his presence. The Chamber of Commerce promptly furnished the following declaration:

due to the very rare and very scarce mercantile relations that we have with that nation (Britain) the establishment of the said diplomatic agent here is, in our opinion, absolutely unnecessary.⁶²

Lindegren was quick to grasp the fact that most trade with Britain was taking place through the provincial ports. He had not been three months in Puerto Rico when he decided it was necessary to appoint vice-consuls at the principal ports of the island. In a letter to the Earl of Aberdeen, minister of the Foreign Office, dated 25 October, 1844, he explained the need for such agents: "In some of them," he declared, referring to the provincial ports, "more business is transacted with Great Britain than at San Juan, the Capital."⁶³ Lindegren was also aware that there were several British subjects living at various locations outside the capital, any of who might require consular help or advice at a given moment. The presence of British consular agents at various strategic points might also be of help in his incessant battle against the slave trade. He therefore decided that, given the poor quality of inland communications, it would be best to appoint British representatives at various provincial ports and proceeded to recommend two British subjects for the posts of vice-consuls of Ponce and Guayama.

Lindegren soon received a curt reply from the

⁶²A.G.P.R., Gobernadores Españoles, Fomento y Comercio, 1844, Caja 322. Cámara de Comercio de San Juan al Capitán General Gobernador de Puerto Rico, 2 de julio de 1844.

⁶³P.R.O., F.O. 72/663. Lindegren to Aberdeen, 25 October, 1844.

Foreign Office, dated 29 January, 1845, expressly forbidding him to appoint any vice-consuls, at least until he received his exequatur from Madrid formally acknowledging him as consul. To this order, Lindegren heeded, but within 30 days of receiving the awaited document, he wrote back to the Foreign Office reporting that not only had he made official his previous recommendations, but he had also appointed vice-consuls at Arecibo and Mayagüez, and, although he had not quite made up his mind with respect to the candidate for Naguabo, he had proceeded to notify the Spanish governor of the appointments made thus far.⁶⁴

The Foreign Office was not particularly pleased with the hasty behaviour of their representative in San Juan, and chastised him for having taken such liberties in a dispatch written on the very last day of 1845. The appointments were, however, allowed to stand, provided no salary was attached to the posts, although the vice-consuls were permitted to appropriate any consular fees due to them by British subjects arriving at their ports.⁶⁵

The list of consular fees, reproduced here as Figure 20 (p. 395), was detailed in Act 6, George IV, Cap. 87 and reviewed by an Order in Council of 1 May, 1855. They constitute an accurate description of a British consul's duties and how much he was to charge for his services. A quick survey of this list reveals that, by far, most consular duties were connected with trade and navigation, so that an analysis of the fees charged by the British agents in Puerto Rico is sure to throw some light on the growth and distribution of the trade between the two countries.

In 1846, a total of £33 15s. was collected from the

⁶⁴P.R.O., F.O. 72/683. Lindegren to Aberdeen, 10 May, 1845.

⁶⁵P.R.O., F.O. 72/683. Canning to Lindegren, 31 December, 1845.

four agencies of San Juan, Ponce, Mayagüez and Guayama.⁶⁶ By 1864, the vice-consulate of Guayama had been incorporated into that of Ponce and the vice-consulate of Naguabo had long since been in operation. All four agencies collected just over £265 or almost eight times the 1846 total, with the southern ports of Ponce and Guayama bearing evidence of the greatest activity, followed closely by the eastern port of Naguabo. British trade via Mayagüez was somewhat less active, but not as quiet as that conducted in the north through the capital itself (See Table 58.)

Table 58. Consular Fees Collected at the British Consulate and Vice Consulates in Puerto Rico, 1846 and 1864

Port	1846	1864
San Juan	£ 7 13s.	£ 28 12s. 4d.
Mayagüez	£ 7 13s.	£ 52 3s. 0d.
Ponce	£ 8 2s.	£105 10s. 6d.
Guayama	£ 10 7s.	
Naguabo	n/a	£ 78 14s. 4d.
TOTAL	£ 33 15s.	£265 0s. 2d.

Source: P.R.O., F.O. 72/1105. Cowper to Foreign Office (Return of Consular Fees), 1865.

By 1856, there were British vice-consulates in all seven of the ports open to imports and exports: San Juan, Ponce, Mayagüez, Aguadilla, Guayama, Naguabo and Arecibo. These posts were not inalterable. Some of the vice-consulates were suppressed temporarily (Aguadilla) or altogether (Arecibo); others were amalgamated (Ponce-

⁶⁶P.R.O., F.O. 72/732, 1847.

Guayama) and new ones were opened (Vieques). Sometimes it was difficult to find a suitable candidate to fill the post, a problem which Lindegren encountered from the outset. Reasons are never given as to why any of the available British subjects residing in these districts might have been unsuitable as vice-consul. It is possible of course that as most of them were land-owners, they might not have lived within an acceptable distance from the ports or that perhaps the nature of their duties on their haciendas deprived them of the knowledge and expertise in mercantile and shipping affairs to render them adequate; or even that they possessed neither the time nor the inclination to add the duties of a vice-consul to their daily affairs and were not enticed by the prospect of an erratic extra income. Consul Cowper however, unwittingly gives us a clue as to one possible explanation when, in a report to the Foreign Office dated 27 September, 1862, he simply states: "No British subject resides in the city (of San Juan), those in the country are all slave holders..."⁶⁷

An embarrassing situation it must have been for Consul Lindegren to find it necessary to appoint foreigners as British vice-consuls as his own countrymen were all slave-owners. It must not be forgotten that the opening of the British consulate in Puerto Rico was to serve the dual purpose of monitoring and furthering the island's trade with Great Britain, and of acting as a look-out post for slave-trading activities in the Spanish Caribbean. In fulfilling the duties of this second purpose, Lindegren simply excelled, much to the chagrin of the local authorities who resented this foreigner's intrusions in their local affairs and the subtle and very fruitful detective work carried out by his sons upon their arrival.⁶⁸ Viscount Palmerston had regained charge

⁶⁷P.R.O., F.O. 72/1046. Cowper to Russell, 27 September, 1862.

⁶⁸Morales, *Auge y decadencia de la trata negrera*, pp. 133-134.

of the Foreign Office in 1846. For Palmerston, the end of the slave trade had ceased to be a mere policy and become somewhat of an obsession. In the light of this, it was important for Lindegren to choose his vice-consuls wisely.

In choosing British vice-consuls, therefore, commercial links with Great Britain became the leading priority as opposed to British citizenship, although some blood link with that country was sought whenever possible. The first vice-consul of Ponce, for example, Daniel Basanta, was one of the partners of the mercantile firm Basanta & Mitchel, prominent merchants of Playa de Ponce. Basanta was a British subject of British-Basque background who had emigrated from Trinidad where he had held the rank of Captain of Militia. His late brother had been the Surveyor General of that colony which had been in British hands since 1797.⁶⁹

For Mayagüez, a British subject was also chosen, although Sampson Clark Russell Esq. was not British but Irish, born at Ballymena, County Antrim. Russell was a partner of the mercantile house Schröeder & Co. of Mayagüez. Guayama's first vice-consul, Brian O'Hara, was again, not strictly British but Canadian. Of Lindegren's first selection of vice-consuls, only William Fortright, brother of the British consul at Carthagena (Colombia), appointed for Arecibo appears to have been of strictly British descent.⁷⁰ We have no indication as to his trade.

Sometimes, no link of birth at all was possible and the choice had to rely entirely on business connections with Britain. After three successive resignations from the post at Mayagüez, F. Gustavus Grüner was appointed British vice-consul at that port in 1860. Grüner

⁶⁹P.R.O., F.O. 72/663. Lindegren to Aberdeen, 25 October, 1844 and Sonesson, "Puerto Rico's Commerce...", pp. 277-278.

⁷⁰P.R.O., F.O. 72/663. Lindegren to Aberdeen, 25 October, 1844.

however, was not British at all but German. He had close ties with the German firms Grüner & Sons in Bremen and Grüner & Co. in Saint Thomas. He dealt in a variety of exports, including sugar and his business references included firms in New York, Boston and Hamburg as well as Frühling & Göschan of London.⁷¹ When Grüner himself resigned, in 1861, Consul Hunt opted for Leopold Krüg as his replacement, there being no British subjects in that area "fit for the appointment". Mr. Krüg was of Danish origin having arrived from the island of Santa Cruz and was at the time, the principal partner of the leading house at Mayagüez.⁷²

Although the existence of the British vice-consulates was somewhat unsteady, there was, consistently throughout the century, at least one office in each one of the four coasts of the island: San Juan in the north coast; Ponce in the south; Mayagüez in the west; and Naguabo in the east.

The patterns of trade with Britain through these ports changed considerably throughout the century with the evolution of the trade itself. We have just seen how, on Lindegren's arrival, the capital did not stand out for its commercial relations with Britain. Exports from San Juan were focused on Spain and the number of British imports did not appear impressive although it is certain that many of these were arriving via Saint Thomas and where therefore not being classified as British. In fact, at that time, it is difficult to assess British imports through any of the island's ports because of the dominating presence of Saint Thomas as an intermediary. But it was clear that most Puerto Rican exports were leaving for Britain from the ports of Naguabo, Ponce and Guayama, all of which were the outlets of active sugar-

⁷¹P.R.O., F.O. 72/1014, 1861 and Sonesson, "Puerto Rico's Commerce...", p. 283.

⁷²P.R.O., F.O. 72/1014. Hunt to Russell, 27 April, 1861.

producing regions.

West of San Juan, also on the island's north coast, was the secondary port of Arecibo. Although Arecibo was one of the original vice-consulates opened by Lindegren in 1845, the post was left vacant in 1860 and in 1863 it was suppressed entirely.⁷³ British trade through Arecibo simply did not merit holding an office there. Arecibo's connections with the capital were strong. Like San Juan, its export trade was mainly directed towards the Peninsula. Arecibo's harbour, furthermore, was considered unsafe, too open to the winds and rough seas, especially during hurricane seasons. It was a favourite place for shipwrecks and, as such, mainly avoided by larger vessels. A significant amount of exports from Arecibo were shipped abroad via San Juan. Thus, strong ties between the two cities were developed. In 1866, Consul Cowper reported that the town had already been linked by rail to the capital although presumably this must have been a very basic railway line for freight only.⁷⁴ Arecibo was the first town to be connected to San Juan by telegraph, and when the first stretch of the rail road that was to encircle the island was opened to public use in March 1893, it was the line between San Juan and Arecibo. Imports arriving at Arecibo were often sent via San Juan. It is for this reason that Arecibo did not participate in the direct trade in British imports to the same extent as the other island ports.

On the east coast, the three ports of Naguabo, Fajardo and Humacao shared between them an active trade with Great Britain during the height of the sugar trade with that country, although Naguabo was undoubtedly the leading one of the three and also the base of the British vice-consulate for that region. The district

⁷³P.R.O., F.O. 72/1014. Basanta to Russell, 2 January, 1861; and "Foreign Office List", 1863.

⁷⁴Cowper's report on Puerto Rico for 1866. P.P. 1867, p. 561.

concentrated on the production of the lower grades of muscovado and according to Consul Cowper, in the mid 1860's, approximately one half of its production, or 10 million lbs. weight, went directly each year to Britain.⁷⁵ Francis Ick, vice-consul for Naguabo, reported in 1865:

Naguabo is the central port for Export for the Muscovado sugar grown in the districts of Humacao and Fajardo and for this reason has probably more communication with Great Britain than any other port in the island, the English trade being almost exclusively confined to that species of sugar.⁷⁶

Vice-consul Ick appears to have been somewhat misinformed in terms of the quality of the Puerto Rican sugar preferred by the British buyer. In fact, there was a marked preference for yellow muscovado or brown clayed, a sugar of slightly better quality than the lower grade brown muscovado produced in the east coast, and which could often be sold directly to the general consumer without need for further refining. In 1854, for example, out of 273,438 cwts. of Puerto Rican sugar entering the various ports of the United Kingdom, 244,303 or 89 per cent. were of yellow muscovado while only 29,135 were of brown.⁷⁷ Nevertheless, Naguabo's importance as an exporter to Britain up until the late 1870's is undisputable as the table of consular fees (Table 58) has already shown. Naguabo had always been an important outlet for the island's trade in live cattle and here, probably, lies the reason why it developed such strong links with Britain. Sales of cattle to the British West Indies had remained steady during the centuries of contraband and continued to be important throughout the

⁷⁵P.R.O., F.O. 72/1127. Cowper to Russell, 5 January, 1866.

⁷⁶P.R.O., F.O. 72/1105. Cowper to Russell, 21 October, 1865.

⁷⁷P.P. 1854-55 (246) L, pp. 706-707.

nineteenth century. Indeed, due to its proximity to the foreign Antilles, there is no doubt that the east coast developed the strongest ties with the widest range of foreign nationals out of the whole of the island, and if we consider that the English appear to have held the most outstanding record in this trade, the link between the east coast and the British becomes clearer. It is probably for the same reason that during the eighteenth century, as a result of the relaxation of immigration laws, several English investors established sugarmills in the island's east coast, thereby strengthening the ties of that region with their homeland even further.⁷⁸

As the nature of the commercial exchange between Britain and Puerto Rico shifted away from sugar, the eastern region's importance in this trade began to diminish. In 1881, Acting-consul Gibbons still classed Naguabo as "a place where there are considerable British interests" although by then the vice-consulate was collecting less fees than the consulate at San Juan where the opposite experience was evinced: as the trade between Britain and Puerto Rico grew stronger and as British (or part-British) mercantile houses began to settle in San Juan, the capital's share in this exchange became larger and more or less of a similar proportion as that of Ponce and Mayagüez.⁷⁹

In 1840, roughly 10 per cent of British ships arriving at, or departing from Puerto Rico, touched at San Juan. By 1876, the proportion had increased to over 26 per cent. and would remain more or less steady at just under a third of the total in the years to come.⁸⁰

At this point, it is worth stressing that although

⁷⁸Picó, *Historia general de Puerto Rico*, p. 152.

⁷⁹P.R.O., F.O. 72/1608. Gibbons to Granville, 12 September, 1881 and 31 March, 1881.

⁸⁰Balanza 1840 and Pauli's report on Puerto Rico for 1876. P.P. 1877, p. 1540.

at first glance it would seem quite appropriate to gauge the importance of a particular Puerto Rican port in its trade with Great Britain by the number of British ships visiting it yearly, in fact the evidence would be misleading. This is especially true before the development of direct trade in the late 1850's, when a large proportion of the island's commerce with Europe was handled with Saint Thomas' mediation. But even after the consolidation of direct trade, British imports did not always arrive at Puerto Rican ports in British ships (in the case of textile manufactures they seldom did throughout the century); British ships departing from Puerto Rico were not always bound for Britain either. Figures on British shipping, therefore, can only be used as a very vague indicator of the trends experienced throughout the era.⁸¹

The southern ports of the island specialised in exports of sugar and molasses. The most important of these was Ponce (to date, the island's second city) followed by Guayama. Both ports lay in the midst of an extremely prosperous sugar-producing area whose main market up to mid-century had been the United States. In the 1850's, Britain also became an important customer for the southern ports.

Table 58 indicated how the importance of the two southern ports was reflected in the fees collected by British consuls in 1846 and 1864, and there is no doubt that while Puerto Rico's trade with Britain concentrated on sugar, it was the southern ports which experienced the greatest contact with that nation, even more so than the eastern region. Furthermore, there was a large number of British citizens living in that area. Indeed, most of the British immigrants of whom we have any news today were residents of Ponce and its surrounding areas: In the mid 1840's, James Gilbee, an Englishman, owned the

⁸¹See *supra.*, pp. 320-322. (Section on "Shipping")

hacienda with the largest capital in the district; his was followed by that of Joseph Archbald (Irish, but still a British subject) who, together with his brother Robert, was responsible for introducing the first steam engine for grinding canes in Puerto Rico.⁸² In 1861, we have news, via the city's vice-consul, of the intestate death of Thomas Walker, another British subject, owner of a house, blacksmith's shop and lands valued at \$810.00.⁸³ The following year, Vice-consul Basanta was busy again, this time seeking a patent for an apparatus invented by another one of his fellow citizens, this time a British engineer of the name Abel Brear.⁸⁴ In 1868, yet another British resident of Ponce, Mr. Henna Jr., was involved in a brief but stormy political incident when he dared make public his sympathies to the independentist cause.⁸⁵

It is hardly surprising that in late 1861, Vice-consul Basanta should petition the Foreign Office for a salary:

I believe that there is more British Trade at Ponce than at many Ports where there are paid consulates established [and] that the number of British Subjects residing at Ponce is greater than in any other district of the island.⁸⁶

The busy vice-consul especially resented the fact that the salary of his United States colleague at Ponce, "whose official duties [were] less arduous than those of the British Vice Consul at that Port", was £300 per annum

⁸²Scarano, *op. cit.*, p. 178 (Table A.2) and p. 87.

⁸³P.R.O., F.O. 72/1014. Basanta to Hunt, 1861.

⁸⁴A.G.P.R., Gobernadores Españoles, Fomento y Comercio, Caja 323. Fomento 1862, 17 March - 3 April, 1862.

⁸⁵See *infra.*, pp. 447-448.

⁸⁶P.R.O., F.O. 72/1014. Basanta to Russell, 28 December, 1861.

plus an allowance of £30 per annum for office rent, all of this on top of the remuneration he received through consular fees.⁸⁷

Unfortunately for Basanta, his protestations fell on deaf ears: the Foreign Office did not grant him a salary. Nevertheless, he remained at his post for nearly 30 years (by far the British agent of longest standing throughout the whole of the nineteenth century, including the consuls) an indication that his plight cannot have been too desperate nor his labours as dismally rewarded as he would lead us to believe, even when in 1863, the vice-consulate of Guayama was merged with his own thereby considerably increasing Basanta's workload.

Trade and communications with Britain continued to grow through the port of Ponce in the 1870's. In 1840, forty-seven British ships, with a tonnage of 2,294, stopped at this southern port. In 1872, Basanta reported 133 vessels laden with 19,568 tons. Furthermore, arrivals of British ships were by far the most prevalent at Ponce, followed by Spain (85 ships with a total of 10,780 tons) and the United States (72 ships of 14,985 tons).⁸⁸

In 1876, when Ponce finally saw a new British vice-consul, we learn that, in spite of the preeminence of British shipping, the proportion of actual exports to Britain was decreasing. About 50 per cent of Ponce's exports of sugar were destined for the United States. Only 25 per cent were being sent to Britain and its colonies. Almost all of the district's molasses was now being exported to the United States.

In his report for the district, the new vice-consul of Ponce, Gibbons, included details on the export of coffee, a product which had never preoccupied his predecessor. Britain's participation in this trade was

⁸⁷*Loc. cit.*

⁸⁸Basanta's report on Ponce for 1872. P.P. 1873, p.1063.

however unimpressive. The shift in Britain's importance from a customer of Puerto Rican sugar to a supplier of manufactures and machinery was already being felt in Ponce in 1876. Gibbons reported that large quantities of Manchester goods, hardware and machinery were being imported from Britain directly to the port.

Gibbons also confirmed that Ponce was still home to a considerable number of British subjects. Many of these, he added were "coloured" immigrants from the neighbouring British West Indies.⁸⁹

Indeed, the number of British subjects had so grown in the district of Ponce that a Protestant church had been erected by subscription. All expenses were met by the Protestant community although Gibbons reported it as being already "badly in want of funds" in 1876.⁹⁰ Twenty years later, the church was still standing...only just. Ponce's vice-consul Toro described the town's Anglican church in 1894 as being sadly in want of repairs as the funds were not even sufficient to cover the chaplain's stipend.⁹¹ The following year we learn that it had been "temporarily closed" as it could not even support its clergyman.⁹²

The port of Ponce is interesting in that it reflects quite accurately each one of the stages which the trade between Puerto Rico and Great Britain underwent during the nineteenth century. In the early decades, Ponce's export trade was mainly in sugar and principally directed towards the United States. Imports arrived directly from Spain and, to some extent from the United States or

⁸⁹See *infra.*, pp. 448-450.

⁹⁰Gibbon's report on Ponce for 1876. P.P. 1877, pp. 1527-1530.

⁹¹Toro's report on Ponce for 1894. Appended to Vecqueray's report on Puerto Rico for the years 1892-94. P.P. 1895, p. 553.

⁹²Toro's report on Ponce for 1895. Appended to Vecqueray's report on Puerto Rico for 1895. P.P. 1896, p. 692 and Toro's report on Ponce for 1896. Appended to Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 595.

indirectly via Saint Thomas. In the mid 1840's Britain became the second most important customer for Ponce's sugar and shortly afterward, direct imports from Britain began to pour into the region in increasing quantities. The 1870's were a transition period for the port in terms of its trade with Britain. While Ponce sugar was still being sent to Great Britain, the importance of this country as a customer was being overshadowed by its role as a supplier of manufactures and machinery. By the 1880's, through to the end of the century, Ponce's exports to Great Britain were negligible, whereas its imports from that country were substantial. Sugar remained the product that was to distinguish the region to the end, in spite of the industry's shortcomings towards the end of the century. However, during the last two decades of the century, Ponce became the most convenient outlet for the coffee producing districts of Yauco and southern Utuado and consequently, its exports of coffee became at least as significant as those of its sugar.

On the western coast, Puerto Rico's main ports were Mayagüez and Aguadilla, the most important of which was undoubtedly the former. Both ports flourished especially during the last two decades of the nineteenth century when they became the most accessible outlets for some of the island's most productive coffee regions. Although Puerto Rico exported more produce to Britain through Aguadilla and especially Mayagüez than it did through the northern ports, the region was never as actively involved in the Anglo-Puerto Rican exchange as the eastern and southern areas were.

British trade through Mayagüez started off rather unimpressively. Even after Britain opened its doors to Spanish colonial sugar in 1846, this did not immediately translate into an increase in exports from that port. We have no specific news of there being any significant concentration of British immigrants in the west coast as

was the case in the south and the east, although the district did attract at least two British investors. The earliest of these was Consul Lindegren's own son, Jacob, whose 1855 investment in a fully mechanised sugar factory proved premature: the quality of his sugar was considered too good for an export market that still favoured the less refined varieties, and most of his production had to be sold locally.⁹³ In 1878, Consul Bidwell referred to another English gentleman, Dr. Grivot Grand-Court, who had recently arrived from Mauritius. Bidwell described him as a "skilful and enterprising planter" who with "indomitable energy and at great private expense, introduced new varieties of seed cane from all parts of the world which have been planted at Mayagüez with most satisfactory results." Dr. Grivot was obviously well known and respected in the region as he was appointed member of the Commission on Sugar-Cane Disease.⁹⁴

There is no evidence however, of British immigrants taking any significant interest in other activities, such as coffee cultivation, in that area. Vice-consul Krüg reported, in 1865, that French and German investors were taking a great interest in the raising of cotton near Mayagüez but he made no mention of British interest in this activity in spite of the obvious connection.

Krüg also stated very categorically that year that the principal market for Mayagüez' sugar and molasses was always the United States. Indeed, Mayagüez is unique amongst the ports of the island in terms of the acute dependency it experienced on the United States market during the sugar era. Its second most important customer was the British provinces of North America. Towards the end of the 1850's, the district was showing such little interest in British trade that the Foreign Office began

⁹³Ramos, *The Mechanization of the Sugar System...*, p. 41

⁹⁴Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1640.

to question the validity of keeping the vice-consulate there open. When Vice-consul Grüner resigned from his post at Mayagüez in 1861, Consul Hunt found it necessary to convince the Foreign Office of the need for keeping a British agent at that port. The consul was quick to grasp the promise of an increase in trade with Britain through Mayagüez and wrote back expressing the convenience of retaining that office since recent returns from the port indicated that "no less than 26 British vessels loaded or unloaded there during the quarter ended March last..."⁹⁵ The consul's foresight proved useful. When the Civil War broke out in the United States, Britain's importance as a trade partner for the western region suddenly increased and reached a standing similar to the one it already enjoyed in the south and in the east. British purchases of sugar and molasses acted as a buffer for lost sales to the United States. Likewise, an increase in British demand for raw cotton as a result of the interruption of its supply from the southern States during the conflict, benefitted the island's producers. This was especially fortunate for the Mayagüez district as most of the cotton produced in Puerto Rico was grown in that area.

The cotton-boom of course, was short-lived, and by the early 1870's it was all but over, but by then, the purchase of imports directly from Great Britain had begun to acquire a greater importance. In 1872, Vice-consul Gumbes remarked on the increase of this direct trade in general British merchandise. A line of British steamers travelling directly between Liverpool and Mayagüez under the Spanish flag to take advantage of the lower duties which favoured national shipping, was acting as a deterrent to the purchase of British goods through Saint

⁹⁵P.R.O., F.O. 72/1014. Hunt to Russell, 27 April, 1861.

Thomas and San Juan.⁹⁶ The establishment of this line resulted in the development of a solid exchange between Mayagüez and England which continued to grow throughout the decade. In the 1880's, Mayagüez joined the rest of the island in its general trade patterns: an expansion in the cultivation of coffee in its surrounding districts made it, together with the other western port, Aguadilla, the number one outlet for the island's most buoyant export. Shipments of muscovado from Mayagüez began to decrease in the early 1880's and were greatly reduced by the early 1890's. According to Vice-consul Monefeldt, 20,000 tons of muscovado left Mayagüez in 1882, while 12 years later, the total was barely 5,000 tons.⁹⁷ The export trade to Great Britain was insignificant by the end of the century. The import trade, on the contrary, continued to grow throughout the 1880's. By the mid 1890's however, together with the rest of the country, it encountered obstacles in the high rates of exchange resulting from the island's inflationary crisis and in the preferential status granted to some United States goods due to the reciprocity agreements which the American nation had imposed upon Spain.

Lying on the west coast, a few miles north of Mayagüez, the smaller port of Aguadilla experienced a development in its trading patterns which was quite similar to that of its larger neighbour. Like Mayagüez, Aguadilla became one of the island's most important outlets for coffee and cotton and its links with Britain were quite similar. In 1863, the British vice-consulate in Aguadilla was closed down, there appearing to be no justification in terms of the volume of trade, to keep it

⁹⁶White, Foreman & Co. See *supra.*, pp. 329-330. Gumbes' report on Mayaguez for 1872. P.P. 1873, p. 1059.

⁹⁷Monefeldt's report on Mayagüez for 1894. Appended to Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, p. 548.

open⁹⁸, but in 1878, there are news of a consular agent of the name Koppisch, residing at that port. As with Mayagüez, reports from Aguadilla point to the fact that its exports to Great Britain were by no means impressive, except for the relatively brief interlude of the United States Civil War. The re-opening of the vice-consulate must therefore have responded to an increase in British imports as was the case all over the island. In his report for 1878, Koppisch however, was unable to produce accurate figures for imports as the Spanish authorities denied him access to their accounts.⁹⁹ In 1894, his successor, Gauslandt, expressed the same complaint. Gauslandt also complained in his report for that year that much potential business was being diverted away from Aguadilla to the larger ports of Arecibo and Mayagüez. This he put down to the general apathy of both the local authorities and the Aguadilla commercial houses who showed little interest in improving internal communications from the coffee producing areas to the port.¹⁰⁰

3. Port conditions and facilities

It is a well known fact, even today, that Puerto Rico has been unusually favoured by nature in the quality and abundance of its harbours. In the days of air freight, it is perhaps difficult to grasp just how crucial this good fortune could be to the development of a country in the past. Good ports attracted trade, not only because they appealed to the ships' captains' ease, but also

⁹⁸P.R.O., F.O. 72/1070.

⁹⁹Report by Consular Agent Koppisch on the Commerce of Aguadilla for the year 1878. P.P. 1878-79 [C.2421] LXXII.1, p. 1658.

¹⁰⁰Gauslandt's report on Aguadilla for 1894. Appended to Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, p. 546.

because they minimised expenses. An unsafe harbour would inevitably push up the price of insurance for the exporter on either end of the business transaction while a commodious port would minimise expenses incurred in repeated transfers and lighting. All of this translated into the price paid eventually by the consumer for imported articles, and affected the competitiveness of exports abroad.

San Juan, especially, of all the island ports, was the subject of constant compliments by the British consuls in their reports. It seems appropriate to point out that these men had usually had a prolific diplomatic experience, having held foreign posts in such places as Montevideo (Hunt); Pará and Pernambuco (Cowper); Carthagena and Caldera in Chile, the Baltic and China (Pauli); Panama, Cuba, the Balearic Islands and the Canaries (Bidwell); Tunis and Japan (Stevens); the Azores (Hertslet); Algiers and Madeira (Crawford); and Samoa and the Western Pacific Islands (Churchward). In all of their eyes, the bay of San Juan deserved nothing but praise. It was described in any number of occasions as being fine, spacious, safe, excellent, and one of the finest harbours in the West Indies.

To fully understand the popularity of San Juan as a port, it is necessary to compare it with the conditions and facilities offered by other Latin American ports during the nineteenth century. To this effect, it is best to quote D.C.M. Platt's excellent description:

Until the end of the 80's Buenos Aires was an open roadstead and steamers of any size were compelled to lie ten miles out to get sufficient depth of water. Montevideo, lacking a breakwater, was open to the *pamperos*, winds from the south and south-east which caused serious damage to shipping. At Valparaiso in 1900 all the shipping still anchored in the open bay, dangerously exposed to the heavy winds and seas from the north; cargo was generally unloaded into the lighters at a rate, for

most sailing vessels, not exceeding 60 or 70 tons a day. Vera Cruz, the main port of Mexico, was an exposed anchorage with a total absence of port facilities, so that the cost of handling for many classes of imports even when the ship was alongside was larger than the freight from the United Kingdom. Santos, already by the mid-80's the second port in Brazil and the outlet for the rich coffee province of São Paulo, consisted simply of 'a few ill-constructed jetties, projecting from fetid and unsightly riverside mud-banks'. The discharging of vessels at Rio at the turn of the century was entirely by lighter. Goods were transferred no less than four times in the course of landing: from ship to lighter, from lighter to trollies on the Customs quay, from trollies to elevators, from elevators to deposit, each time accumulating heavy charges.¹⁰¹

And these (Montevideo, Buenos Aires, Valparaiso, Vera Cruz, Santos and Rio) were the leading ports in Latin America. In the smaller ports the situation was often much worse. In contrast, Consul Hunt described the bay of San Juan in 1856 as a spacious land-locked harbour where large vessels could lie safely in five to seven fathoms of water. It was furnished with what he describes as excellent wharves for discharging and receiving cargo and had a large warehouse or bonding store which received certain goods at a very moderate cost.¹⁰²

The island's main port remained adequate even when the advent of steam signified the introduction of much larger ships into its waters. Consul Cowper furnishes the following details in 1868: The depth at the entrance of the harbour was some 39 feet. There were at least six places where "six of the largest steamers (could) anchor together and swing". There was a good 24 feet of water alongside the wharf and plenty of government land which

¹⁰¹Platt, *op. cit.*, p. 69.

¹⁰²Hunt's report on Puerto Rico for 1856. P.P. 1855-57.

could be had for free for the building of more wharves. The port possessed a foundry for casting and repairing machinery and an excellent market. All in all, he considered it a very fine port indeed and one of the coolest and healthiest places in the whole of the West Indies.¹⁰³

Although San Juan was undoubtedly the best of the island's harbours, all of the other major ports were described at any time as being safe, comfortable and accessible with the sole exception of Arecibo. As frequent as praises were laid upon San Juan were complaints and warnings issued concerning Arecibo. It was repeatedly described as an open roadstead exposed to north winds especially during the winter months, and extremely dangerous to shipping. It was noted for the frequency of the wrecks that occurred in its harbour (which Cowper believed scarcely merited that name). Casualties were so frequent at that port that it was usually excepted in charter parties and insurance for it was higher.¹⁰⁴ Large vessels tended to avoid Arecibo and it was not infrequent for ships that were loading in this port to have to "slip and put to sea" if the wind veered from the north or the north-east.¹⁰⁵

Arecibo, however was the exception to the rule. The rest of the island's major ports were all considered safe for shipping although the landing facilities varied in quality and availability. In 1865, Vice-consul Krüg mentioned that a long covered wharf in front of the custom-house had been under construction in Mayagüez for the last two years. He considered it a work of some importance which would cost about 25,000 dollars to build. In his characteristically scathing tone, Krüg

¹⁰³Cowper's report on Puerto Rico for 1868. P.P. 1868-69, pp. 217-218.

¹⁰⁴Cowper's report on Puerto Rico for 1866. P.P. 1867, p. 561.

¹⁰⁵Pauli's report on Puerto Rico for 1875. P.P. 1876, p. 906.

ridiculed the "famous Spanish engineers" stating that any foreign engineer could have done a much better job for half the money, furthermore claiming that the materials employed in its construction were of inferior quality.¹⁰⁶ Perhaps Krüg was not unjustified in his dissatisfaction with the work of the Spaniards for a mere 13 years later we learn from Vice-consul Gumbes that the wharf at Mayagüez was already "on the eve of total disappearance".¹⁰⁷

A second ominous prediction of Krüg's proved less accurate. The same year that he reported on the building of the wharf, he warned that the harbour at Mayagüez was filling up with sand from the river Yagüez and that it would soon be partly dry if the river was not canalized. This, he suggested incidentally, would be a very good project for English engineers and English capital, provided the authorization of the Governor and Spanish Chief of Engineers could be obtained.¹⁰⁸ But, in spite of Krüg's admonitions, the Yagüez was not canalized and, in spite of his bleak forecast, the harbour at Mayagüez did not dry out.

Dredging did however take place in San Juan and was being considered in Ponce during the second half of the nineteenth century. Talks of cleansing the bay of San Juan, which was gradually silting up with mud, began in the late 1860's but the difficulties of securing funds for this project greatly delayed its execution. To this purpose, a special duty was levied on all ships making use of San Juan harbour, but almost two decades later, Consul Stevens commented on the fact that the tax was still being charged and yet the bay had never seen a dredging machine. In the meantime, Stevens had it from "good naval authority" that if it continued to be

¹⁰⁶Krug's report on Mayaguez for 1865. P.P. 1866, pp. 208-209.

¹⁰⁷Gumbes' report on Mayaguez for 1878. P.P. 1878-79, p. 1660.

¹⁰⁸Krüg's report on Mayaguez for 1865. P.P. 1866, p. 209.

neglected in this manner for another few years, eventually no vessel of moderate size would be able to enter the harbour.¹⁰⁹ In 1887, a contract for supplying the materials needed for dredging the harbour was finally granted to a French firm. The operations themselves, however would be carried out entirely by Spanish officials and workmen.¹¹⁰ These workmen were all, or at least mainly, convicts, receiving a wage of approximately 10 cents per day.¹¹¹ The necessary plant arrived in February, 1889. This consisted of one dredger, two tow boats and six scows. Finally, on 7 September of that year, work on the dredging of San Juan was commenced.¹¹²

This work was to continue until the end of the century. It began with much enthusiasm. Already, by September, 1893, over 14 million cubic feet of material had been removed from the entrance to the channel which was thereby enlarged, and from other shoals which constituted an obstacle to manoeuvring ships in the harbour. About five million cubic feet of this material was being used at this date to extend the wharfage facilities of the port.¹¹³

By April, 1895, the equipment consisted of one bucket dredger and two grappler dredgers plus miscellaneous crafts. This was still considered inadequate to cope with the intensity of the task, but the works continued at an active pace and Consul Vecqueray reported that the south west of the harbour, the area known as La Puntilla, had been dredged to a depth of 29.5 feet at low tide where it had previously

¹⁰⁹Stevens' report on Puerto Rico for 1882. P.P. 1884, p. 136.

¹¹⁰Hertslet's report on Puerto Rico for 1887. P.P. 1888, p. 176.

¹¹¹Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, p. 542.

¹¹²Latimer's report on Puerto Rico for 1889. P.P. 1890-91, p. 810.

¹¹³Latimer's report on Puerto Rico for 1891. P.P. 1893-94, p. 841.

been but 4-5 feet. This made the entrance of vessels and their anchorage much easier. Opposite La Puntilla, in La Punta Larga, where the depth had been 7-8 feet, it had been dredged to 19-20 feet. The depth of the bay was now an average 29.5 feet throughout and over 22 feet alongside the wharves where it was not possible to dig vertically as this would have undermined their support. The following year, the overall depth of the harbour had been increased to 33 feet. About 20 million cubic feet of material had been removed from the ocean's bottom by the end of 1895 and the greater part of this was being used to reclaim land for extending the wharves.¹¹⁴

By 1896, the initial impetus was beginning to wear off. That year, most of the efforts of improving the harbour had been concentrated in the construction of a "fine iron shed" on the new wharf extension, which, according to Consul Crawford, would be of little use for a while, at least until other facilities were first established. The following year, the dredger, tugs and lighters were in very poor condition and were being sent to Saint Thomas for maintenance and repairs.¹¹⁵

This is the last we hear of the dredging of the capital's harbour. After the 1898 war, Consul Churchward, making no mention of any further dredging activities, reported instead that the United States government had ambitious plans for supplying docks, works and roadsteads in San Juan, although the projected site of these facilities had met with local opposition as it was believed it would check the expansion of the town.¹¹⁶

In Ponce, there were news in 1895 that some work had begun for the improvement of the port. A small wharf

¹¹⁴Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, p. 542.

¹¹⁵Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 587.

¹¹⁶Churchward's report on Puerto Rico for 1899. P.P. 1900, p. 18???

with four cranes to facilitate unloading from lighters was being built and although there were plans for the dredging of the bay, sufficient funds had still not been made available.¹¹⁷ A tax of 50 cents per ton of cargo landed had been introduced for this purpose and the project also counted on a yearly government and municipal subsidy to make it possible.¹¹⁸ After the United States invasion, we learn from Ponce's vice-consul, F.M. Toro, that further harbour works were being completely ignored by the United States government although an American banking firm had already bought up all land available for wharf-building. It had obtained a government grant to undertake the construction of wharves and was, in June 1900, trying to form a company for this purpose. Toro also commented on the increasing need for wharves as a result of a parallel increase in the amount of shipping in this district. He stated that all operations of discharging and loading were exclusively in the hands of one lighter company with extremely high charges.¹¹⁹

In spite of Toro's assertions, there are no indications of Ponce, or indeed any of the Puerto Rican ports ever having had to contend with excessive delays in shipping due to inadequate docking facilities as was often the case in various ports in South America, a situation which caused much frustration and expense to both importers and exporters there. As late as 1914, the British consul at Brazil described the major ports of this country as follows:

...at Pernambuco both passengers and goods are slung in cages by means of the ships' derricks, into lighters, there being no

¹¹⁷Toro's report on Ponce for 1895, appended to Vecqueray's report on Puerto Rico for 1895. P.P. 1896, p. 692.

¹¹⁸Toro's report on Ponce for 1896 appended to Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 594.

¹¹⁹Toro's report on Ponce for 1896. Appended to Churchward's report on Puerto Rico for 1899. P.P. 1900, p.346.

docks. At Bahía there are shallow water docks, and deep water docks are now under construction. At Rio de Janeiro there are no docks, but only a wharf, which cannot cope with all the business of the port. Consequently many ships have to discharge into lighters in the bay. At Santos there is also a wharf, but as this is a private concession the dues are very heavy.¹²⁰

Generally speaking, the impression one gets from the British agents in Puerto Rico during the nineteenth century is that the island's port facilities were, on the whole, quite adequate. Even the fact that there was an interest in improving the conditions of San Juan's harbour from as early as the 1860's is an indication that the island was somewhat ahead of its time in this one respect, at least when compared to the rest of Latin America. It is true that works did not actually commence until the late 1880's, but then very few Latin American ports saw any modernisation before the 1890's and it would appear that the bulk of these improvements in the continent did not take place until the first two decades of the twentieth century.¹²¹

Navigational aids such as lighthouses and buoys were another important feature in attracting shipping and, therefore, trade to Puerto Rican shores. On this, at least until the 1860's, the island was sadly lacking. The absence of lighthouses could make nocturnal approaches, especially to the ports on the more treacherous Atlantic coast, quite dangerous. In 1876, we learn from Consul Pauli that a British ship had been wrecked just off San Juan, "not knowing that the light had been extinguished while erecting a new lighthouse", by which we may suppose that there had been one there

¹²⁰H.S. Birch's report on Brazil for 1912-13. P.P. 1914-16, LXXI, 186, quoted from Platt, *op. cit.*, p. 72.

¹²¹Platt, *op. cit.*, pp. 70-72.

previously in existence. The consul proceeded to warn British vessels to be very careful on approaching San Juan harbour as there was no way of knowing if the lights, buoys or other marks were in their proper place. He blamed the authorities for not giving proper notice of alterations or keeping the buoys in their proper places. A pilot would come out to every vessel but he would never go beyond the bell buoy at the entrance of the harbour which happened to be the narrowest and most dangerous part of the navigation before the dredging of the bay.¹²²

Two years later, Consul Bidwell offered a very detailed description of existing facilities and projected improvements. San Juan had already one light house of the third order (i.e. could be seen at a distance of 18 miles) on El Morro castle and a similar one was being erected in "San Juan Point". Five more lighthouses were being planned. Three of these would be small lamps of the forth order, having a range of 12 miles, one on the island of Culebra, north-east of Puerto Rico, another one in what Bidwell calls "Peña Borinquen" (probably Punta Borinquen, near Aguadilla on the northern end of the west coast); and a third one in the Cabo de Mala Pascua, on the south east corner of the island between Humacao and Guayama. A larger third-order lamp was to be erected on Caja de Muertos Island, off the shores of Ponce; and the largest lighthouse would stand on Mona Island, to the south west of the main island, in the passage separating Puerto Rico from Hispaniola. This last one would be of the second order, meaning that its light could be spotted at a distance of 22 miles.¹²³ All of these lighthouses were eventually constructed, and in 1887, Consul Hertslet announced the completion of the one at Caja de Muertos furnishing the most remarkable number of details as to

¹²²Pauli's report on Puerto Rico for 1876. P.P. 1878, p. 1536.

¹²³Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1637.

its location, utility and appearance, right down to the colour in which its doors and windows had been painted.¹²⁴ Only two years later, the south coast was favoured by the erection of yet another lighthouse, one not originally on the 1878 plans. It was constructed on the small islet of Cardona at the entrance of the port of Ponce.¹²⁵

Table 59. Description and Location of Buoys in the Harbours of San Juan and Mayagüez, 1878

<u>Site</u>	<u>Description</u>	<u>Remark</u>
<u>San Juan</u>		
Laja	1 Anchoring buoy	Barrel shape of cast iron
Entrance to windward	3 Anchoring buoys	Barrel shape of cast iron
	2 Shoal buoys	Conical shape of plated iron
For mail steamers	1 Anchoring buoy	Barrel shape of plated iron
For vessels of war	1 Anchoring buoy	Barrel shape of plated iron
Yufri Shoal	1 Shoal buoy	Barrel shape of wood
Punta Larga Shoal	1 Shoal buoy	Barrel shape of wood
Anegado Shoal	1 Shoal buoy	Barrel shape of wood
<u>Mayagüez</u>		
Northwest point of Algarrobo Shoal	1 Anchoring buoy	Barrel shape of cast iron
East and west of the Guanajibo Channel	2 Anchoring buoys	Barrel shape of cast iron
South point of "Los Machos Grandes" in the western channel	1 Anchoring buoy	Barrel shape of cast iron
Las Manchas	1 Anchoring buoy	Barrel shape of cast iron

Source: Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1637.

¹²⁴Hertslet's report on Puerto Rico for 1887. P.P. 1888, p. 175.

¹²⁵Latimer's report on Puerto Rico for 1889. P.P. 1890-91, p. 810.

On the subject of buoys, information is much scarcer. Bidwell offers the only detailed report on the matter in his 1878 return in which he outlines the exact location, type and general description of each one of the buoys in the harbours of San Juan and Mayagüez. Bidwell's report is reproduced above as Table 59 as a matter of general interest. It is interesting in that it denotes a concern with port safety on behalf of the authorities which contradicts the lassitude reported by Bidwell's predecessor only two years earlier.

4. Internal Communications

a) Roads

Throughout the nineteenth century, it would seem that all of the British consuls and vice-consuls favoured the word "deplorable" above any other adjective to describe the condition of the island's roads. Whether it was Cowper's venomous attacks or Bidwell's witty accounts of inland travel, they all agreed on the need to improve the nature of internal communications.

The island possessed three kinds of roads: "royal roads", local roads and private roads. "Royal roads" (*caminos reales*) were constructed and maintained by the central Government. These were very scarce indeed but tended to be well built and macadamised. The best of these were the roads stretching between the capital and Bayamón towards the west, and between the capital and Caguas to the interior. This last one was especially praised by the British agents although in the 1870's, it too began to fall into disrepair. According to Cowper, in 1873, "The fine macadamized road from the Capital to Cagnes (sic), twenty-five miles in length, once the pride

of the island, is now as rugged as an African track..."¹²⁶. It was however given attention. Later reports again describe it as a good road (or the only good road) and in 1878 we learn from Bidwell that it was being extended to link San Juan with Ponce.¹²⁷ This road, built with convict labour, wound its way through sixty miles of mountainous terrain. It took ten years to complete but, once in use, it was considered worthy of the praises of all of Cowper and Bidwell's successors.

The majority of the roads, however, were classed as local roads and their maintenance fell under the responsibility of the municipalities. Private roads were expected to be maintained by the owners and apparently shared a similar fate to local ones. Together these roads attracted the worst criticism. The network itself appears to have been well laid out¹²⁸ but the physical condition of these roads was simply appalling. They were, according to Bidwell,

for the most part indescribably bad, and at some seasons quite impassable. Holes, called 'baches', form in the centre during the rainy weather, which become filled with water and which are repeated at a distance of a few feet. On these occasions travelling in a carriage is almost an impossibility and the rider is lucky whose horse does not lose his footing and come down in one of these holes.¹²⁹

These "so-called roads", were made of soft clay flattened by the passing of heavily loaded oxen carts.

¹²⁶Cowper's first report on Puerto Rico for 1873. P.P. 1874, p. 888.

¹²⁷Pauli's report on Puerto Rico for 1875. P.P. 1876., p. 1643.

¹²⁸Cowper's report on Puerto Rico for 1862. P.P. July 1862-63.

¹²⁹Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1643.

Side ditches were usually non-existent and those that did exist soon became clogged up whereby the "baches" became the road's only drainage. Sometimes carriages would get stuck in the clay making it necessary to fetch yokes of oxen to extricate them. Bridges were infrequent. Most streams had to be forded on horseback but deeper rivers were passed by means of punts, a device in which horses, carriages and passengers were hauled from one bank to the other with the aid of ropes. Those bridges that did exist were almost all wooden and usually in quite a rickety state. All in all, land travel, especially in bad weather was an uncomfortable, hazardous and sometimes lethal activity as it was not unusual for carriages to be carried away by sudden swells while crossing a stream during a storm. With a touch of biting humour, Bidwell describes the appropriateness of thanking God upon the termination of a journey:

When the Governor-General makes his periodical tour in the island a *Te Deum* is sung on His Excellency's arrival at each town or village. If this act of devotion were not otherwise explainable, it might readily be ascribed, in some instances, to gratitude to Providence for a safe passage over some of the roads which man has made for his fellow creatures to travel over...¹³⁰

That the condition of the island's roads hurt Bidwell's very British sensibilities is not surprising. These were akin to those of his own country in the early years of the eighteenth century since when the situation had progressed remarkably. In 1754 it took a coach 10 days in the summer and 12 days in the winter to cover the distance of 378 miles that separates London from Edinburgh. By 1832, the same journey was advertised as

¹³⁰*Loc. cit.*

taking 42 hours and 33 minutes.¹³¹ But almost as much as by the actual state of the roads, Bidwell was baffled by the stoicism with which Puerto Rican travellers accepted their unhappy fate, especially during the rainy season.

The inhabitants bear all this patiently from long habit. They say that there is no engineer like the sun, and in this they are right, for the tropical sun does at all events, dry up the roads when the rain ceases.¹³²

The astral engineer, of course was also half culprit of the upheaval. The tropical climate, with its constant swings between intense heat and heavy rain, causing a perpetual expansion and contraction of materials, is to date a nightmare for civil engineers. Indeed, even the British consuls were forced to acknowledge from time to time the difficulty of keeping the roads in a decent state of repair in view of the uncooperative nature of the climate. A fellow countryman, Sir Charles Augustus Murray, while travelling through Cuba in the 1830's provided an equally negative description of the roads in the Greatest Antille:

I soon began to verify in the flesh what I had heard about the island's roads, but I had to comfort myself with the knowledge that we were travelling in the best season of the year, and that few had been of such excellent weather as the one we were then enjoying. In view of this, I logically regarded with indifference passing stones almost half a metre high and "baches" equally deep.¹³³

¹³¹Mathias, *op. cit.*, p. 104.

¹³²Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1643.

¹³³Charles Augustus Murray, *Travels in North America during the Years 1834, 1835, and 1836, Including...a Visit to Cuba*, London, 1839, Vol.II, pp. 215-216. Quoted in Ely, *op. cit.*, pp. 622 and 624. Originally translated into Spanish by Ely. Translated back into the

According to Roland T. Ely, Murray's description of Cuban roads in the 1830's remained applicable until well into the twentieth century.

Even if the weather proved an obstacle to keeping the roads in good condition, it is worth considering why these were neglected to such an extent. If we reject that mythical laid back nature which supposedly permeates those who inhabit the tropics for too long as an explanation, then there are two important points to take into account. The first and most obvious one was the lack of government funds, be it at a national or a municipal level. Empty coffers were repeatedly named as the main reason for the lack of advance in public works: "All public works are at a standstill due to the poverty of the Treasury", informs Cowper in 1869.¹³⁴ And Consul Stevens claimed in 1882 that there was a "numerous staff of civil and military engineers in the island who are occupied in plans and projects which are never realised, for the very good reason that the municipal coffers are empty and no help forthcoming from the mother country."¹³⁵

But just how poor was the treasury? Consul Pauli notes, in 1875, that although taxes on imports and exports were quite heavy, little of the revenue was invested on public works.¹³⁶ The fact was that a disproportionate amount of the island's revenue was set aside or handed over to Spain for military purposes. An acute mistrust of US intentions towards Cuba justified for a long time the hoarding of an emergency fund in case the situation developed into an armed conflict, and throughout the century, Puerto Rico was obliged to

English language by myself.

¹³⁴Cowper's report on Puerto Rico for 1869. P.P. 1869-70.

¹³⁵Stevens' report on Puerto Rico for 1882. P.P. 1884, p. 135.

¹³⁶Pauli's report on Puerto Rico for 1875. P.P. 1876, p. 903.

contribute financially to all Spanish military exploits, including the war against the Cuban insurrectionists.

Repeated suggestions by the British consuls to engage private foreign enterprise in developing the country's infrastructure were eventually heeded, as we shall see, in the case of railways, tramways, gas and electricity. The more local, more intrinsically national nature of roads, and the fact that, as opposed to the items just mentioned, they did not lend themselves quite as easily to profit, left them completely in the hands of the government which showed little interest in their improvement until the last few years of the century.

But it did not follow that a lack of government funds should necessarily yield a lack of interest in improving the island's roads. Other projects, such as the dredging of San Juan harbour were accomplished in spite of a meagre local public works budget as we saw in the previous section. The answer lies at least partly in the island's economy and in its patterns of production and consumption. Puerto Rico's, it must be remembered, was an export economy. The main aim of its production was to sell it abroad. Each region had its special arrangements in terms of foreign customers and suppliers and to a great extent communication between the municipalities was unnecessary. It was not only the placid Puerto Rican patience that kept the citizens from protesting actively about the state of the roads.

Gervasio García comments on this fact:

If there were no roads worth mentioning --at least none capable of linking the regions into a collective entity-- it was not only because the greater part of the country's budget was absorbed by military expenses, but also because the towns were islands within the island, each with a view to the nearest port or to the final destination of its sugar and coffee, rather than to neighbouring regions of

identical output."¹³⁷

This situation contrasted strongly with the experience of countries, such as Britain, in which all aspects of the nation's economy were interlinked and where the aim of production was, or had been, primarily internal. In this case, the development of inland communications was crucial and followed naturally from the growth of business. "All the different aspects of developing a unified national market..." says Peter Mathias with respect to Britain, "were much enhanced by the growth of an efficient road system in complementarity with efficient water carriage."¹³⁸

During the first half of the nineteenth century, when Puerto Rico's development rested largely on its exports of sugar, the majority of the island's economic activity took place on the coastal plains. Coastal navigation therefore, prevailed as the most effective means of national transport, and to a large extent it proved sufficient. Consul Churchward's assessment of the island's coastal shipping in 1899 is quite favourable and seems to have applied for most of the nineteenth century:

Intercoastal communication is very well served by special steamers of the Porto Rican Company, which make the round of the island at stated and frequent intervals arranged to correspond with the comings and goings of the various calling steamers.

Other coastal communication is maintained by a considerable fleet of schooners constantly in movement on the coast or to the adjacent islands.¹³⁹

¹³⁷Gervasio Luis García, "Lealtad nacional y conciencia regional en José Julián Acosta", unpublished paper, p. 20. Reproduced with kind permission of the author. (My translation.)

¹³⁸Mathias, *op. cit.*, p. 104.

¹³⁹Churchward's report on Puerto Rico for 1899. P.P. 1900, p. 343.

The displacement of sugar for coffee in the last few decades of the century meant a significant move towards the mountainous interior, and the need for better roads to convey the produce to the nearest ports began to be sorely felt. Furthermore, once the areas within easier reach were taken over by the coffee plantations, there remained very fertile expanses of land still uncultivated due to their virtual inaccessibility.¹⁴⁰

It is therefore no coincidence that it was in the mid 80's, when coffee began to enjoy its apogee, that the first real attempts to improve the roads were made in Puerto Rico. In 1887, not only was the much praised road between San Juan and Ponce within one kilometre of completion, but four other projects were already under way and four further ones in the planning stage.¹⁴¹ By 1894, although the condition of the main road leading from the interior to the port of Aguadilla was still described by Vice-Consul Gauslandt as "wretched", there were plans and, more importantly, funds already set aside for its improvement the following year.¹⁴² The port of Ponce was by then connected to the city by what Vice-Consul Toro described as "a fine level road" along which all imports and exports were transported.¹⁴³ By 1896, according to Consul Crawford, the scarcity of good roads was being slowly remedied throughout the island. Old roads were being repaired and improved while new ones were being planned. The central government had granted municipalities the right to appropriate the proceeds collected from a consumption tax on liquors and petroleum

¹⁴⁰Stevens' report on Puerto Rico for 1882. P.P. 1884, p. 136.

¹⁴¹Hertslet's report on Puerto Rico for 1886. P.P. 1888, p. 317.

¹⁴²Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, p. 546.

¹⁴³*Ibid.*, p. 552.

for the exclusive purpose of financing road works.¹⁴⁴
 Things were slowly but surely beginning to improve.

b) Railways

Throughout Latin America, the 1860's inaugurated the age of the railway. Puerto Rico's participation in this momentous historical era was however, to say the least, unimpressive. In this, the island's experience could not contrast more sharply with that of Cuba where railways were being built in the 1830's, earlier than anywhere else in the whole of the Spanish-speaking world and the West Indies.¹⁴⁵

As with the roads, it is interesting to look at Puerto Rico's peculiarities before assessing the reasons behind its apparent backwardness in the development of this more modern form of inland transportation. The island's reduced size, so often and conveniently used to explain away a multitude of evils, can in this case help to shed some light into the subject. Puerto Rico had nothing like the vast, untamed expanses of the Pampas, the Andes or the Amazon to contend with. In the 1830's, for example, the cost of moving a ton of goods from Salta, in the interior of Argentina, to Buenos Aires was thirteen times greater than that of transporting that same ton of goods from Buenos Aires to Liverpool.¹⁴⁶ Even Cuba, comparatively moderate in size when compared to Argentina, Brazil or Peru, was still, it must be remembered, over 12 times larger than Puerto Rico. Transporting sugar from an inland plantation for sixty miles to the coast on the precarious tropical roads, was an operation that could take up to three weeks.¹⁴⁷

¹⁴⁴Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 587.

¹⁴⁵Thomas, *op. cit.*, pp. 121-122.

¹⁴⁶Platt, *op. cit.*, p. 67.

¹⁴⁷Thomas, *op. cit.*, p. 121.

Puerto Rican sugar planters had no such natural obstacles to contend with, not just because of the island's size but also due to the very symmetrical nature of its geography. The island is basically a rectangle; a flat plain surrounds the coast extending itself four to eight miles inland until the foot of the hills which completely cover the interior crossing the island uninterruptedly from east to west. (See Map 3, p. 15.) As practically all of Puerto Rico's sugar cultivation took place on those fertile coastal plains, it follows that planters rarely had to contend with transporting their goods for a distance greater than eight to ten miles to the nearest sea inlet, from where it could be shipped to the distribution centres. Even if the roads were unsatisfactory, such a task was by no means gruelling. Minor ports were abundant along the island's rugged shoreline. The sole exception was the northwest coast, where the rich plantations of the Arecibo district had no other outlet than the port of the same name, which, as previously discussed, was unsafe and largely substandard. It is no coincidence, therefore, that the first stretch of railway inaugurated in 1891 was the one connecting Arecibo with the capital.

Thus, although there were talks of establishing a railway system in Puerto Rico from as early as 1862, definitive steps towards its construction were not undertaken until 1888. The significance of the dates is interesting: in 1862, Puerto Rico was still in the midst of its sugar-era, its production limited largely to the plains. Joining into the spirit of the times, the idea of a railway must have had a certain contemporary appeal, but practicality proved it to be a largely unnecessary undertaking. By 1888, coffee had overtaken sugar. The interior was being opened up to agriculture and the development of inland communications had become a matter of greater urgency.

The first and only project to be considered and put

into effect was the relatively simple task of laying a railway which would run along the coastal plains encircling the island. The contract was awarded to a Don Ivo Bosch on 15 March, 1888, for a total of just under ten million Spanish dollars. The terms of this contract were applicable for six years. Mr. Bosh, however soon transferred his concession to a company formed in Madrid under the name of *Compañía de los Ferrocarriles de Puerto Rico* (Puerto Rico Railway Company). A staff of engineers and surveyors arrived at Puerto Rico that summer and, in accordance to the contract, works commenced that September.

Starting at San Juan the railway would first link the capital with Mayagüez on the west coast, via Arecibo and Aguadilla. Mayagüez would be connected, through San German, to Ponce on the south coast. It would then run from Ponce to Humacao, touching first at Arroyo. From Humacao it would return to the capital after passing through Fajardo, stopping at Río Piedras, only nine miles from the capital and easily accessible by road (the good San Juan to Ponce road) and later by a light railway system. An extra line connecting Humacao with the interior valley of Caguas was also on the original plans. All in all, the railway was to cover a distance of 283 miles.¹⁴⁸

The history of the Puerto Rico Railway Company was unfortunately not one of great success. Between 1837 and 1838, 29 miles of railway had been laid in Cuba in the stretch linking Havana and Güines.¹⁴⁹ Half a century later, the Puerto Rico Railway Company took five years to link San Juan with Arecibo, a distance of 45 miles. Even then, the stations and bridges along the way were only provisional and the work had not received the approval of

¹⁴⁸Hertslet's report on Puerto Rico for 1888. P.P. 1890, pp. 99-100; and Vecqueray's report on Puerto Rico for 1895. P.P. 1896, p. 681.

¹⁴⁹Thomas, *op. cit.*, p. 122.

the Spanish government, without which the 8 per cent dividend promised to shareholders could not be paid out. The terminal stations in San Juan and Arecibo were at quite a distance from the towns. The rates for passengers and freight were considered high. It is almost surprising that, during its first year in operation, the monthly average income of this first section was £940 per month, but the dire communication and transportation needs of Arecibo afford the explanation for the railroad's acceptance in that district.¹⁵⁰

By 1895, only 137 out of the projected 283 miles of tracks had been laid and put to use. The original contract had actually lapsed the previous year, but the concession had not been officially revoked. That year, a total of 118,853 passengers had used the existing sections of the line. One hundred tons of personal baggage and 283,887 tons of merchandise had been thus transported. A total of 232,929 pesos (approximately £46,589) of gross receipts had been obtained but it was not enough. The company was already in financial difficulties.¹⁵¹

Business increased during the last three years of Spanish rule, but the length of the railway did not. Four totally disconnected sections were the final accomplishment of the 1888 plan. These extended from San Juan, past Arecibo to Camuy (62 miles); from Aguadilla to the little village of Hormigueros, past Mayagüez (29 miles); from Yauco to Ponce (22 miles); and from Carolina to just outside the capital at Martín Peña (9 miles).¹⁵² When the island changed hands in 1898, the new government refused to acknowledge the terms of the concession and

¹⁵⁰Latimer's report on Puerto Rico for 1891. P.P. 1893-94, p. 841.

¹⁵¹Vecqueray's report on Puerto Rico for 1895. P.P. 1896, pp. 681-682.

¹⁵²Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 589.

according to Consul Churchward, the matter had to be taken to court. Nevertheless, it had become obvious that the project would never earn the 8 percent dividend on the capital invested.¹⁵³

The Puerto Rican railway system was therefore an almost total failure. It did not follow the "funnel-shaped" pattern typical of export-oriented countries which serves the purpose of draining traffic to the major ports. It was even less likely to follow the "star-shaped" pattern which prevailed amongst the developed European nations, in which the interior reaches in, through a network of rails, to the capital, the true economic epicentre of the country.¹⁵⁴ Puerto Rico's railway line was but four disparate segments of what should have been a ring. Lack of economic rationale in designing the line can only reflect the lack of an overwhelming need for its existence in the first place, in the same way as neglect of the roads reflected the inhabitants' little interest in interregional travel. Had the more difficult task of linking the coffee districts of the interior with the major ports been attempted in line with the conventional "funnel-shape" pattern that befitted the island's economic nature, the enterprise would have doubtless yielded greater profits, but as Churchward acknowledged, the railway served only the coastline, and could therefore not compete successfully with the cheaper form of transport which was water carriage.¹⁵⁵

c) *Urban development and local transportation*

In contrast with the poor state of inter-regional

¹⁵³Churchward's report on Puerto Rico for 1899. P.P. 1900, p. 344.

¹⁵⁴Paul Bairoch, *El tercer mundo en la encrucijada. El despegue económico desde el siglo XVIII al XX.* Trans. Jacobo García Blanco-Cicerón, Madrid, Alianza Editorial, 1982, p. 132.

¹⁵⁵Churchward's report on Puerto Rico for 1899. P.P. 1900, p. 344.

communications, transportation within the island's main cities was reasonably progressive. The condition of town and city streets was often described as good or at least "tolerable".

The provincial ports of Ponce and Mayagüez were often referred to as being in many ways more advanced than the capital itself which was constricted by its location on an islet separated from the mainland and by the fact that it was surrounded by fortifications. These two facts impeded geographical expansion and promoted overcrowding and urban squalor. Apart from the size of the area described and the differences in the odours emanating from the islanders' culinary pursuits, Consul Bidwell's account of San Juan in the late 1870's is reminiscent of contemporary writings by Henry Mayhew or Charles Booth on the conditions of the East End of his own country's capital:

The islet is five kilometres long by one to two kilometres broad, and in a space not exceeding half a mile square the inhabitants are enclosed. A recent calculation shows, in fact, that 10.80 metres only is the space enjoyed by each person.

The town is laid out in 12 streets at right angles, and within the *patios* or courtyards of the larger houses, the working people exist, often a whole family in a room of eight or ten feet square, having only the door for ventilation, in which they cook stale codfish with Catalan oil and garlic, smoke, eat and sleep. Several of these abodes are to be found in some houses. I have been shown one house in which 200 people are said to live. The common well and cesspool adjoin each other in the *patio*; and for one of these damp, sunless habitations, in which all known sanitary laws are set to defiance, five or six dollars a month are paid as rent.¹⁵⁶

¹⁵⁶Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, pp. 1629-1630.

The city's fortifications were responsible for holding back the development of the city, not only geographically but also financially as the preservation, maintenance and improvement of what consul Pauli described as "formidable looking but obsolete works" was given priority when distributing the city's meagre Public Works budget.¹⁵⁷

In contrast, the provincial ports of Ponce and Mayagüez had experienced a growth parallel to the development of the island's export agriculture and were therefore not constrained by city walls. In truth both towns were in many ways more advanced than San Juan, beating the capital at the adoption of many of the great modern advances of the era. The introduction of gas-fuelled street lighting in both provincial towns in 1874, is only one example. In San Juan, although attempts to light the city had been made since before 1873, it was not until 1876 that the town could definitely boast gas lamps. All three conurbations had been supplied with their gasworks by an English contractor, Mr. Bower of the small village of St. Neots near Huntingdon, whose enterprise had provided the capital and materials as well as undertaken the installation. His investment was already yielding a profit of 9-10 per cent in 1876, and was expected to increase to 14-15 percent in time.¹⁵⁸

A system of street cars on rails was first introduced in Mayagüez in 1870, and in Ponce in 1871, not a backward achievement, considering that it was not until the 1860's that tramways were adopted on a large scale in London and Liverpool.¹⁵⁹ The system employed in Mayagüez and Ponce was indeed so innovative that it had never been used elsewhere. Unfortunately its installation in Puerto Rico proved it to be less than adequate and in 1872 the

¹⁵⁷Pauli's report on Puerto Rico for 1874. P.P. 1875, p. 805.

¹⁵⁸Gibbons' report on Ponce for 1876. P.P. 1877, p. 1530.

¹⁵⁹Cowper's report on Puerto Rico for 1870. P.P. 1871, p. 762.

street cars were taken down and shipped back to the United States from whence they had originated.¹⁶⁰ Two years later however, a new tramway was being laid by a private company linking the town of Mayagüez with the port, a distance of one and a half miles.¹⁶¹

By the mid-1890's urban transportation in all three of the island's main towns was progressing at a rapid pace. Between San Juan and Río Piedras (a distance of approximately nine miles) a steam operated tramway was in operation, running an efficient service on a single line of rails.¹⁶² The government soon offered a subsidy for any company willing to undertake its extension to the interior town of Caguas.¹⁶³ In Mayagüez, a company under the name of *Compañía de Ferrocarriles de Vía Estrecha de Mayagüez* had been set up with local capital with the intention of linking the interior, coffee-growing districts of San Sebastián and Añasco to the port, by means of a narrow track railway. In that city, a very successful horse tramway was in operation between the port and the town, the 1874 attempt having apparently come to a standstill.¹⁶⁴ Plans of building an electric tramway were also under consideration at Ponce.¹⁶⁵

Urban progress had not been confined to transportation. Electric lighting, which was only made available to the world in the 1880's, had already reached Mayagüez in the summer of 1896. It was a private concern, contracted by the local government to light all

¹⁶⁰Cowper's report on Puerto Rico for 1872. P.P. 1873, p. 1059.

¹⁶¹Gumbes' report on Mayagüez for 1874. P.P. 1875, p. 807.

¹⁶²Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, p. 543.

¹⁶³Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 587.

¹⁶⁴Vecqueray's report on Puerto Rico for 1895. P.P. 1896, p. 682.

¹⁶⁵Toro's report on Ponce for 1894. Appended to Vecqueray's report on Puerto Rico for 1892-94. P.P. 1895, p. 594.

streets and public buildings. Private houses were also open to contract for a 5 pesos installation fee and a monthly rate of 2 pesos. In Ponce, a similar scheme was in operation by 1899.¹⁶⁶

d) Telecommunications

The nineteenth century saw the birth of telecommunications and, as with the great advances in land and sea transportation, Britain paved the way. In 1837, Charles Wheatstone and William Cooke devised the first practicable electric telegraph in England. It was soon put to commercial use by railway lines, the first public line being laid between Paddington and Slough in 1843.

In 1869, this most helpful means of communication and undoubted aid to business was adopted in Puerto Rico. As with the railway, the first line was to link San Juan with Arecibo, touching at Bayamón, Vega Alta, Vega Baja and Manatí.¹⁶⁷ Three years later, Ponce and San Juan were linked via the telegraph, an achievement which Vice-consul Basanta described as very useful to commercial firms and working "tolerably well".¹⁶⁸ By 1874, it had reached all of the island's main towns, and coupled with a daily postal service made communications within the island easy and efficient.¹⁶⁹ But, for a country whose economy depended solely on exports, more important than the knowledge that near-instantaneous communication between the regions was at last possible, was the fact

¹⁶⁶Vecqueray's report on Puerto Rico for 1895. P.P. 1896, p. 682; and Toro's report on Ponce for 1899. Appended to Churchward's report on Puerto Rico for 1899. P.P. 1900, p. 346.

¹⁶⁷Cowper's report on Puerto Rico for 1869. P.P. 1870, pp. 376-377.

¹⁶⁸Basanta's report on Ponce for 1872. P.P. 1873, pp. 1064-1065.

¹⁶⁹Pauli's report on Puerto Rico for 1874. P.P. 1875, p. 805; and P.R.O., F.O. 72/1483. Pauli to the Earl of Derby, 25 January, 1877.

that, after 1870, the island was linked to the rest of the world through the transatlantic deep sea cable. Yet another British enterprise, the first transatlantic cable was laid in 1858. In 1869, there had been rumours that an English Company was planning to establish a base for the cable at Ponce. Rumours soon turned to fact when Sir Charles Bright arrived at San Juan instead with four large ships to commence works in the harbour.¹⁷⁰

Once the cable was laid, one end of the line connected Puerto Rico with Saint Thomas from where it was eventually possible to communicate with Demerara and then Brazil. The other end led directly to Jamaica from where it was possible to contact Europe and the Pacific. This second line, however broke almost as soon as it was installed, and while it was repaired, any telegrams from Europe had to be sent to Puerto Rico either via Jamaica or Santiago de Cuba by sea at the first available opportunity.¹⁷¹ At this stage no telegraphic communication was yet possible to the United States but it was not long in becoming available. By 1874, the West India and Panama Telegraph Company had stations at San Juan and Ponce from where, according to Consul Pauli, it was possible to transmit and receive messages to and from most parts of the world.¹⁷²

Although it took some time before the benefits of the electric telegraph were taken advantage to their fullest extent in Puerto Rico, and despite initial difficulties with the island's government, eager as ever to control and censor messages, by the end of the century, the telegraph was widely in use for all matters, commercial, diplomatic and personal, and a new even more modern device was being introduced in its major cities.

¹⁷⁰Cowper's reports on Puerto Rico for 1869 (P.P. 1869-70) and 1870 (P.P. 1871).

¹⁷¹Cowper's report on Puerto Rico for 1870. P.P. 1871.

¹⁷²Pauli's report on Puerto Rico for 1874. P.P. 1875, p. 805.

The first telephone system was installed in San Juan in 1896, twenty years after its invention by Alexander Graham Bell. By May, 1897, 100 stations had been connected and a further 200 were expected to be in operation in June. Although the materials were purchased from a United States company, the installation was being carried out by a local syndicate which was soon to proceed to install a similar system in Mayagüez. Another local company had been awarded the contract for supplying Ponce with a telephone network.¹⁷³

It is interesting to note that, in spite of the British consuls' frequent expressions of surprise, dismay and even outrage concerning the state of the island's inland communications, the truth remains that the country was quite reasonably equipped to carry out its business. The island was a colony, and as such it fit perfectly into the expected patterns of a tropical export economy centred first on the production of sugar in its coastal plains, and later on that of coffee in the mountainous interior. If it was not particularly advanced, neither was it essentially backwards, partaking in the era's innovations in international telecommunications at a reasonably early stage. If anything, Consul Churchward's judgement of the situation shortly after the United States' invasion, appears to be quite adequate: "Through San Juan, Porto Rico may be said to be more than ordinarily fortunate in its facilities for communication with the outside world"¹⁷⁴, and, although the consul was primarily referring to shipping, he may have easily included the telegraph. His comments on the capital, one might add, were also applicable, to a large extent, to Ponce and Mayagüez.

¹⁷³Crawford's report on Puerto Rico for 1896. P.P. 1897, p. 587.

¹⁷⁴Churchward's report on Puerto Rico for 1899. P.P. 1900, p. 342.

Certainly, in terms of its commerce with Britain, the island posed no great obstacle to the distribution of either imports or exports. It was not isolated, much the opposite: it was geographically accessible due to its size and location and, at least until the last two decades of the nineteenth century, its most important production and consumption centres were within easy reach from the coast. It possessed an efficient intercostal communication system for this purpose, and when the occasion arose, there was a slow but steady movement towards improving the roads leading from the coffee-growing districts to the main ports. British merchants need not fear their products not reaching prospective clients or their prices being inflated beyond recognition due to the heavy costs of transport. Neither did they have to contend with extreme difficulties in conveying messages or information after the 1870's. Throughout the nineteenth century, the Puerto Rican infrastructure was quite comfortably able to cope with the needs arising from its trade with any country, not the least with Great Britain.

TABLE OF CONSULAR FEES.

To be taken in pursuance of the Act 6 George IV., Cap. 87, and of the Order in Council, May 1, 1855.

PART I.

Fees to be taken in respect of matters in which the Consul's interposition is required by Law.

Matter in respect of which the Fee is to be taken.

	FEE. £ s. d.
For every declaration made before the Consul, in forms B, C, F, G, H, and L, in the schedule to the Merchant Shipping Act, 1854, with a view to the registry, transfers, and transmission of ships, interests in ships, or mortgages on ships	0 5 0
For indorsing a memorandum of change of Master upon the certificate of registry	0 2 0
For granting a provisional certificate of registry (this fee to be exclusive of fees on declarations)	0 10 0
For recording a mortgage of a ship, or shares in a ship, made under a certificate of mortgage... ..	0 10 0
For recording the transfer of a mortgage of a ship, or shares in a ship, made under a certificate of mortgage	0 7 0
For recording the discharge of a mortgage of a ship, or shares in a ship, made under a certificate of mortgage	0 7 6
For every sale of a ship, or shares in a ship, made before the Consul under a certificate of sale	0 10 0
For inspection of the register book of transactions in ships	0 1 0
For every seaman engaged before the Consul... ..	0 2 0
For every alteration in agreements with seamen made before the Consul	0 2 0
For every seaman discharged or left behind with the Consul's sanction	0 2 0
For every desertion certified by the Consul	0 2 0
For attesting a seaman's will	0 2 0
For examination of provisions or water, to be paid by the party who proves to be in default... ..	0 10 0
For every salvage bond made in pursuance of 17 and 18 Victoria, chapter 104, section 488, to be paid by the master or owner of the property salvaged... ..	2 0 0
On disbursements in respect of distressed seamen, a commission of	2½ per cent.

PART II.

Fees to be taken in respect of matters in which the Consul's interposition is to be given only when required by the parties interested.

Matter in respect of which the Fee is to be taken

	FEE. £ s. d.
For noting a protest, with certified copy if required	0 5 0
For order of survey, with certified copy if required... ..	0 5 0
For extending a protest or survey, with certified copy if required	1 0 0
And, if it exceeds 200 words, for every additional 100 words	0 0 6
For preparing and attesting bottomry or arbitration bond	1 0 0
For attesting bottomry or arbitration bond not prepared by Consul... ..	0 5 0
For attendance, out of Consular office, at a shipwreck, or for the purpose of assisting a ship in distress, or of saving wrecked goods or property, over and above travelling expenses, per diem	1 1 0
For attending valuation of goods, if under £200 in value	0 10 6
For attending valuation of goods if £200 and upwards in value, for every day's attendance during which the valuation continues... ..	1 1 0
For attending sale of goods if the purchase money is under £200	1 1 0
For attending sale of goods if the purchase money is £200 or upwards, for every day during which the sale continues	2 2 0
Certificate of due landing of goods exported from the United Kingdom	0 9 0
Bill of Health	0 10 0
Visé of passport	0 2 0
Opening of will of a British subject, not being a seaman	1 1 0
Management of property of a British subject, not being a seaman, dying intestate, a commission of	2½ per cent.
Registration of documents, or other matters	0 2 6
And, if exceeding 100 words, for every additional 100 words	0 0 6
For every certified copy of a document not before mentioned	0 2 6
And, if it exceeds 100 words, for every additional 100 words	0 0 6
For administering an oath or declaration, including attestation of signature if required	0 2 0
For attesting a signature	0 2 0
For annexing the seal of office and signature to any document not mentioned in, or otherwise provided for by, this table	0 5 0

Note 1.—No fee is to be taken for the custody of, or indorsement on, Ship's Articles and papers deposited with the Consul in pursuance of the Merchant Shipping Act, 1854, section 279.

Note 2.—Where any fee is fixed by the foregoing tables for any particular act or transaction, no additional fee is to be demanded for signature, attestation, or annexing seal of office.

Note 3.—The above fees, if not paid in English money, are to be calculated at the current rate of exchange.

PUERTO RICO THROUGH BRITISH EYES: SUBJECTIVE IMPRESSIONS
OF THE BRITISH CONSULS IN PUERTO RICO, 1844-1900

"There was a moment in the world's history," writes E.J. Hobsbawm, "when Britain can be described, if we are not too pedantic, as its only workshop, its only massive importer and exporter, its only carrier, its only imperialist, almost its only foreign investor; and for that reason its only naval power and the only one which had a genuine world policy." Although Britain did not have to endure for long "the loneliness of the pioneer", its experience left indelible marks in the country's consciousness, in its self awareness and its perception of the rest of the world.¹

Armed with prejudices and biases that reflected the spirit of their times, and immersed in an inevitable sense of a unique and truly British pride² the ten consuls that represented Her Britannic Majesty in Puerto Rico between 1844 and 1898 produced an array of colourful descriptions of their personal perceptions of Puerto Rican reality. Their comments are not only valuable in that they shed light on the way in which Puerto Rico was perceived abroad --although in this they certainly make

¹Hobsbawm, *op. cit.*, p. 13.

²It is worth noting that all of the British consuls that worked in Puerto Rico during the nineteenth century appear to have been English (as opposed to Scottish or Welsh). Although there is little information as to the national background of most of them, their interchangeable use of the words "Britain" and "England", and the stress of their preoccupation on *English* immigrants, *English* investments and *English* trade can be considered evidence enough of their own Englishness. However, they will continue to be referred to as British consuls for the purpose of this essay as they represented the *British* consulate in Puerto Rico.

for interesting and often amusing reading-- but, from the economic historian's point of view, they can help to explain ideas and attitudes which influenced the island's commercial contact with Britain.

That commercial relations, neatly computed in tables and statistics, customs records and commercial reports, actually contained an element of human contact and subjective response, is something easily forgotten in the struggle for accurate information. Yet its importance is brought home to us by authors such as Roland T. Ely, whose painstaking research into the business conducted with Cuba by Moses Taylor's New York firm reminds us frequently of just how crucial the human element could be in a commercial context.³ W.H. Zimmern has similarly described in colourful anecdotes the intimate relationships developed between many Manchester textile manufacturers and their Latin American clients, and just how economically important it was for the suppliers to allow these friendships to flourish. A Manchester textile merchant himself, Zimmern reminisces on some of the more subtle skills required of a successful businessman:

In those days you did not go baldheaded for orders. You talked about things in general, about crops, about politics, above all about your client's family and your own. Finally, after days, sometimes weeks, you got your order, to be executed of course at best, and despatched when ready"⁴

He candidly concludes that: "...it is not by sending out men who don't know their job technically and *psychologically* that we have built up this business..."⁵

³Ely, *op. cit.*, *passim*.

⁴Zimmern, *op. cit.*, p. 55.

⁵*Ibid.*, p. 56. (My emphasis.)

Like friendship, prejudice could also influence the development of commercial relations. A client's credit could, due his nationality be considered untrustworthy; a people could be considered too "backward" to bother with, their geography perhaps too inaccessible now when it had until yesterday posed no real impediment. V.G. Kiernan explains the gradual loss of many Latin American clients to the Germans towards the end of the nineteenth century laying considerable stress on the habit that British businessmen had drifted into of "blaming their customers for all their failures, especially customers in godforsaken places who ought to have been grateful for any notice taken of them"; in contrast, he continues, German businessmen in South America were "newcomers with their way to make and no great colonial empire to feel haughty about."⁶

Likewise, the client could lose faith in the quality of the goods of a certain country. It is true that British products were generally held in high esteem all over Latin America, a fact of which D.C.M. Platt feels compelled to remind us *ad nauseum*, but even he has to admit that British manufacturers were also well known and well distrusted in many places, especially during the first half of the nineteenth century, for adulterating their textiles with clay and starch. This was particularly the case with linen, and Platt recounts the anecdote of how the Paraguayan dictator Francia thought it necessary to examine personally under a microscope samples of all the linen purchased from Irish and Manchester manufacturers for his troops' uniforms.⁷

Subjective impressions, therefore, such as reputation, racial considerations, religion, etc., form an element which, although much harder to measure and

⁶V.G. Kiernan, *The Lords of Human Kind. European Attitudes towards the Outside World in the Imperial Age*. London, Wedenfield and Nicolson, 1969, p. 301.

⁷Platt, *op. cit.*, pp. 122-123.

tabulate than simple production and consumption figures, is nevertheless present in all commercial relationships between countries. Just how the British consuls perceived the island of Puerto Rico, its inhabitants, their culture, government, productivity and society, must therefore be taken into consideration.

1. Geography and environment

In Britain, outside the trading community, it is fair to say that little was known of Puerto Rico. Indeed, as late as 1878, Consul Bidwell found it useful to clarify in his yearly report to the Foreign Office that Puerto Rico was a place quite distinct from Cuba:

Puerto Rico, Cuba, is not an uncommon way for letters to Her Majesty's Consulate to be addressed. Perhaps they are so addressed under an impression that Cuba is a sort of post town to Puerto Rico, or that Puerto Rico is a portion of that island. Certain it is that the Spanish Post Office not infrequently sends all Puerto Rico correspondence in the mail bags for Cuba. It might therefore almost seem necessary to mention that Puerto Rico is not in Cuba: practically it is not very near it..."⁸

This fact need not be assigned too much weight in terms of the island's importance as a trading partner for Britain. Knowledge of the whole of Latin America in Britain at the time tended to be, in Kiernan's words, rather "hazy", even from parties which, in truth, ought to have been better informed. Kiernan offers an example concerning the arrival in London of a bundle of departmental reports from the Chilean capital Santiago in 1883 on which a Foreign Office pundit saw it fit to scribble: "I feel sure that the Home Off. and the

⁸Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1623.

Treasury wd. not care to read a pack of lies about the Govt. and finance of Venezuela".⁹ It is worth noting that Chile, together with Brazil, Uruguay, and of course Argentina, was one of Britain's most important commercial partners in Latin America at that time.

It is probably more revealing to look into the eloquent language of cash to assess the importance of the island in the eyes of the Foreign Office. From this perspective, it is interesting to note that when Lindegren was assigned the British consulate at Puerto Rico, he became one of the best paid consuls in the Americas. His yearly salary of £800 matched that of Consul Charles Griffith at Buenos Aires, and E. Porter at Bahia, and was surpassed only by those of the consuls of Carthagena, Panama and Guayaquil (each earning £1,000 per annum) and Port-au-Prince whose salary was £1,200.¹⁰

An appointment at Puerto Rico was therefore, more often than not a promotion for British agents. Henry Augustus Cowper, for example, must have welcomed the additional £300 per annum he was to receive upon departing Pernambuco for San Juan in 1862. And, to complement the package, the recipient of the post was offered a new and attractive habitat, one which it would seem, abounded in natural beauty.

That the island of Puerto Rico was pretty place indeed, is an opinion shared by all of the British consuls of the nineteenth century but none expressed his admiration in such enthusiastic terms as Charles Toll Bidwell. Appointed British consul at Puerto Rico in April, 1877, after sixteen years of diplomatic experience in Panama, Cuba and the Balearic islands, Bidwell took a

⁹Minute on Enclosures with Hon. F.J. Pakenham to Lord Granville. No. 5, 13 January, 1883, Foreign Office 16/223. Quoted from Kiernan, *op. cit.*, pp. 300-301.

¹⁰Consul-generals had higher salaries, usually ranging between £1,200 and £2,000 per annum. That of the consul-general of Havana, Joseph T. Crawford, for example, was £1,200 in 1846. List of all the Consul-Generals Consuls, Vice-Consuls and Consular Agents in Her Majesty's Service. P.P. 1846, Vol. XLIV, pp. 111-124.

great interest in his new post and, during his first year on the island, dedicated a large portion of his time to getting to know the country "from north to south and east to west", visiting almost every village and town and touring all the districts on horseback, and collecting detailed information on a wide variety of aspects of Puerto Rican life which exceeded by far his minimum commercial and diplomatic requirements.

In March, 1879, he remitted a historical report to the Foreign Office based on Fray Iñigo Abbad's *Historia Geográfica, civil y política de la Isla de San Juan Bautista de Puerto Rico*, first published in Madrid in 1788, and republished by José Julián Acosta in the 1870's. He summarised Abbad's work recounting the island's history from the arrival of the Spaniards and describing local characteristics and customs and, more importantly, adding his own impressions in his very personal and exuberant tone. "It is not easy to imagine a more lovely country or one to which Nature has been more bountiful", he begins.

Indeed, it is almost impossible to describe the varied scenery of some of the mountain passes in this island, especially in the morning, when the grey mist lies like a sheet of snow in the valley, and gradually disappears under the rays of the rising sun. One rides through groves of trees laden with golden oranges and bananas, to be had for the gathering. Rich pasture lands, studded here and there with beautiful palms and cocoa-nut trees, extend to the horizon, wherein the fat cattle are almost hidden by the luxuriant grass upon which they are grazing. Convolvuli and other pretty wild flowers, of a hundred hues, literally line one's path. Coffee plants, covered with their delicate white blossom, and gently shaded by the larger trees, under which they thrive, offer a tempting shelter when the sun's rays become too warm. Rich plants of tobacco promise future hours of solace to the smoker as he lights his native weed; while vast fields of sugar-cane

serve to vary the shade of the verdure in the plains. Here and there a stray child, destitute of clothing, and wanting none as far as the climate is concerned, escapes from a picturesque hut of palm leaves to complete the charm of the scene, and to carry one back to the period of the Borinquens (*sic.*); but the smoke issuing from the tall chimney on the distant sugar plantation destroys the illusion, and the cruel negro oxen driver, who goads his overladen bulls with nearly half an inch of sharp steel at the end of a long pole, serves to remind one that it is no longer the Borinquen who is the possessor of the soil.

I remarked to a gentleman by whose side I was riding on one of these occasions, that the Island of Puerto Rico, but for the excessive heat of the climate, might give one a fair idea of the Garden of Eden. 'It gives me a fair idea of Paradise Lost,' he answered; but this was the reply of a planter, despondent at sugar being only worth three halfpence a pound.¹¹

Bidwell's description of bucolic perfection was unequalled by those of any of this colleagues. Henry Augustus Cowper, while conceding as to the island's beauty and fertility, had actually found its flora and fauna most unsatisfactory ("unlike the exuberance of animal and vegetable life in all other tropical countries") commenting on the fact that there were "scarcely any birds, flowers or wild animals".

...the fact remains that the beautiful fluttering of the hummingbird, the stately swoop of the vulture, the thousand different notes of the singing birds, the gorgeous plumage of others, the chattering of monkeys, the croaking of innumerable tribes of frogs; orchids, parasites, wild or cultivated flowers, fruit trees,

¹¹Account of the Aborigines of the Island of Puerto Rico compiled by Mr. C.T. Bidwell, Her Majesty's Consul from "La Historia Geográfica, Civil y Política de la Isla de San Juan Bautista de Puerto Rico" by Fray Iñigo Abbad, Published at Madrid in 1788. P.P. 1878-79, [C.2421] LXXII.1

vegetables, etc., either do not exist at all or in small quantities.¹²

Cowper's failure to see the species he so missed, including Bidwell's "golden oranges" and "pretty wild flowers of a hundred hues" can only be explained by his sickly disposition (his travels to and from France for specialist treatment of "*néurosse du coeur et flatulence de l'estomac*" are well documented in Foreign Office Records¹³). It is possible that his health prevented him from partaking of Bidwell's pleasant horseback treks limiting his experience mostly to San Juan. However, it is also possible that twenty years of service in Brazil, made Cowper's expectations in terms of tropical plants and, especially, animals, unusually difficult to live up to.

But if Cowper was unhappy with the island's wildlife, he was not displeased with its fertility. It is on this subject, even more than on the beauty of the island's landscape, that all consuls are in most perfect agreement. In Lindegren's first commercial report, dated January, 1845, he described the island as "one of the most fertile in the West Indies".¹⁴ In 1866, Cowper commented on the island's productivity: "its fertility and powers of production are very great for it is fourteen times less in extent than Cuba and produces one third as much...it produces about three times as much as Jamaica which is half as large again." He was satisfied that nothing could exceed the fertility of the island's coastal plains.¹⁵

Cowper's calculations can not be taken at face

¹²Cowper's report on Puerto Rico for 1872. P.P. 1873, p. 790.

¹³See e.g., P.R.O., F.O. 72/1014, Hunt to Earl Russell, 28 October, 1861.

¹⁴P.R.O., F.O. 72/683, Lindegren to Aberdeen, 14 January, 1845.

¹⁵Cowper's report on Puerto Rico for 1862. P.P. July 1862-1863.

value. His geographical estimates, especially in the case of Jamaica, are incorrect (the areas of the three islands are: Puerto Rico 3,500 sq. miles; Jamaica 4,400 sq. miles and Cuba 44,000 sq. miles) and available data do not support his production figures exactly. The average sugar production of the three islands over the five-year period spanning from 1860 to 1864 (inclusive) was: Puerto Rico 68,883 tons; Jamaica: 25,936 tons; and Cuba 500,000 tons.¹⁶ To correctly paraphrase Cowper: although Puerto Rico was 12.5 times less in extent than Cuba it produced one seventh as much sugar, a fact which still made the smaller island almost twice as productive (1.74 times, to be exact); and it produced almost three times as much sugar as Jamaica which was 25 per cent larger. Indeed, Cowper himself had given a much more accurate estimate of the island's productivity in his report for 1862 when he stated that the island was covered by "a perpetual verdure even in the smallest herbage, the very reverse of all my former tropical experiences; and the consequence is that in proportion to its extent the island is twice as productive as that of Cuba..."¹⁷ But even after adjusting Cowper's 1866 figures, there remains no doubt that the Puerto Rican soil was exceptionally fertile. In the southern coast of the island, the average yield of sugar per acre in 1860 for example, was calculated to be 1.4 tons, at a time when the average Cuban plantation yielded only .8 of a ton per acre. Again, these figures show the Puerto Rican average was 1.75 times greater than the Cuban average. Similar calculations applied to the sugar plantations in Plaquemines, Louisiana yield a mere half ton per acre.¹⁸ It is perhaps not surprising that a certain Dr. Grivot

¹⁶Francis Cowper's report on Puerto Rico for 1864. P.P. 1866; and Noel Deerr, *op. cit.*, Vol. 1, pp. 131 and 199.

¹⁷Cowper's report on Puerto Rico for 1862. P.P. July 1862-63.

¹⁸Scarano, *op. cit.*, p.70.

Grand-Court, an enterprising planter of English origin who had recently settled in Puerto Rico, was to claim to his consul in 1878 that he could actually see his canes growing in the island's fertile soil.¹⁹

By 1900, the sugar industry was by no means flourishing. Consul Churchward describes how many of the island's sugar lands were lying abandoned, and that, because the planters were not able to afford fertilizers the soil was never "what is called prime". Replanting was required every three to five years whereas in Cuba some lands lasted up to 12 years without changing. Even so, the average yield of sugar per acre in Puerto Rico had increased to 4 to 5 tons. The lands in the coffee district, however, he described as "admirable", their natural conditions being probably more favourable there for the growth of the bean than anywhere else, and in spite of the fact that he considered its cultivation to have been hitherto carried out "somewhat improperly" the average yield per acre was about 500 lbs.²⁰

Throughout the century, the British consuls often compared Puerto Rico favourably with the rest of the West Indies, including their own possessions. In 1875, Consul Pauli even decided it exhibited more potential than Ceylon.²¹ Not only was it the most fertile island in the Caribbean, but, according to several of the consuls, it was also the healthiest, a fact which Bidwell contested in 1878.

After many years residence in tropical countries, including the Isthmus of Panama, I may be allowed to express an opinion on the subject, and in my opinion Puerto Rico has no special claim to be considered a peculiarly healthy island...

¹⁹Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p.1640.

²⁰Churchward's report on Puerto Rico for 1899. P.P. 1900, pp. 341 and 340.

²¹Pauli's report on Puerto Rico for 1875. P.P. 1876, p. 905.

but the inhabitants of Puerto Rico are very boastful of the salubrity of their climate, and every town or village you go to is reputed to be the healthiest in the island.²²

Smallpox was greatly feared due to its propensity to acquire epidemic proportions although the smallpox vaccine had been introduced in Puerto Rico in 1803 since when immunization was provided free of charge by the government. The fearsome tropical disease, yellow fever, however was not as prevalent as could have been expected in a hot and humid climate where mosquitoes thrived unhindered. Acting consul Francis Cowper (the consuls' son) went as far as to declare in 1864 that yellow fever was scarcely known on the island.²³ For the general population, the greatest killer by far was anaemia --no doubt as a result of an unsatisfactory diet-- followed by dysentery and tuberculosis; so, providing there was no outbreak of smallpox, a well fed foreigner would seem to have had no significantly greater serious health concern than if he or she had remained in cooler latitudes. (See Table 60.) Consul Bidwell, however was willing to take no risks. He advised Europeans visiting the island "not to indulge freely in spirituous liquors", especially the native rum, as these could "over-stimulate the system of the European already too robust for a tropical climate". Further recommendations included avoiding direct exposure to the sun, as well as to the heavy evening dew; always taking a cup of coffee or tea before leaving one's house in the morning (a "golden rule for preserving one's health"); and never leaving wet clothes on if one was caught in the rain. The natives and veteran residents, declared Bidwell, might tempt fate with impunity by not observing these rules, but a recent arrival from a

²²Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p.1630.

²³Francis Cowper's report on Puerto Rico for 1864. P.P. 1866.

temperate climate should not rely on his or her luck. He added sombrely that he had seen many people die of fever just because they had not bothered to change their clothes after being caught in the rain.²⁴

Table 60. Deaths which Occured in Puerto Rico during 1899 from the Principal Diseases.

Small pox	219
Typhoid fever	338
Meningitis	334
Dysentery	3,288
Diphtheria	44
Tuberculosis	1,623
Tetanus	1,027
Anaemia	8,560

Source: Churchward's report on Puerto Rico for 1899. P.P. 1900, p. 340.

Sets of rules such as these were commonly issued to inhabitants of temperate countries visiting tropical locations of any kind, not just Puerto Rico. An almost identical collection of "do's and dont's" was published 20 years later in a manual aptly entitled *Commercial Cuba: A Book for Business Men*²⁵, which concluded with the wise admonition: "An excellent rule for the preservation of health in the tropics is the apostolic injunction:

²⁴Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p.1630.

²⁵William J. Clark, *Commercial Cuba: A Book for Businessmen*. London, Chapman and Hall, 1899, pp. 51-55.

'Use moderation in all things'."²⁶

Abounding in all tropical regions but of much less threatening implications than yellow fever or small pox, malaria was the one disease that foreigners were most likely to contract in Puerto Rico and one which they could rightly claim they would never have suffered from had they remained in their homelands. This was the unfortunate case with Consul Crawford whose untimely bout of malaria obliged him to seek leave of absence in August 1898. Given the state of affairs on the island at the time, the Foreign Office did not deem it appropriate to leave the consulate under the care of the inexperienced vice-consul and father-in-law of the ailing agent, Mr. George Finlay. Instead, Lionel Carden, British Consul at Mexico City was summoned to fill in for Crawford. Upon arrival, Carden described his colleague's condition as "pitiably nervous". "I had never met him before," he continues, "but he certainly looked to me as if he had incipient softening of the brain." The office, he further testified, was in an equally disorganised state due to the consul's ill health and to the fact that "he seemed to have been jealous of his father-in-law, Mr. George Finlay, and would not allow him to see the dispatches, which consequently were in many cases not attended to at all."²⁷

Malaria was not the only reason put forth for what might appear to be a lack of diligence on the part of the British consuls. If Consul Hertslet did not submit his report for 1887 until October of the following year it was not only because he had had difficulties in obtaining official statistics from the Spanish authorities, but also due to "the injurious effects of an unusually hot

²⁶*Ibid.*, p. 55.

²⁷P.R.O., F.O. 72/2082. Carden to the Foreign Office, 26 August, 1898.

and unhealthy season."²⁸

Although Consul Cowper considered Puerto Rico one of the coolest places in the West Indies, and his son Francis deemed the climate to be well adapted to Europeans,²⁹ this opinion was not shared by many of their future colleagues. Intensely disliked by most of the consuls, the tropical heat was automatically linked by them to disease and a lack of energy, and some, like Consul Bidwell, took great pains in expressing their displeasure:

I have never experienced greater heat than I have felt here, and Spanish naval and military officers who have resided in Cuba have stated to me that the heat is actually more oppressive here than there".³⁰

With characteristic punctiliousness, Bidwell produced a table pinpointing the highest and the lowest temperatures experienced in the island, both under the sun and in the shade during the coolest and the hottest months of the year which he declared to be January and September respectively, and commented on how little difference there existed between the temperatures experienced in the sun and in the shade (although there was a good 7-8 degrees Centigrade between them according to his own estimates!) ascribing this fact to the constant outdoor breeze.³¹

The heat was held responsible for many a misfortune in Puerto Rico, from the character of its people to the fact that there were no sheep on the island ("the climate

²⁸Hertslet's report on Puerto Rico for 1887. P.P. 1888, p. 171.

²⁹Cowper's report on Puerto Rico for 1868. P.P. 1868-69, p. 217 and Francis Cowper's report on Puerto Rico for 1864. P.P. 1866.

³⁰Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1630.

³¹*Loc. cit.*

does not seem to suit them, and their wool degenerates into hair"³²). But in this, the island was not treated with a special or unique severity. As Kiernan states,

There hung on into the nineteenth century, as one expression of Europe's self-complacency, an old notion that all animals and men deteriorated when removed from the Old World to the New. In the tropical south it had a more plausible air than in Boston or New York. An enervating climate where wood, metal, clothes were so speedily eaten away by heat, damp and insects, might well explain human decay (and Catholicism) as well."³³

Of course this perception of heat as a noxious element could not have been born of an arbitrary preference for the English weather. The fact was (and to a large extent remains) that industrialisation and development were very much the prerogative of the temperate zones. "All of the countries which experienced agricultural and industrial revolutions during the eighteenth and nineteenth centuries", says Paul Bairoch, "are located in the temperate zones, whereas almost all of today's underdeveloped countries are located in non-temperate sub-tropical or tropical zones."³⁴ Bairoch correctly points out that hot climatic conditions are often responsible for a reduced fertility of the soil and for the prevalence of certain, particularly vicious diseases such as yellow fever. Extreme heat also demands greater effort of the labourer and usually results in a slower pace of work. Finally, and perhaps more importantly, the agricultural developments which England experienced during the eighteenth century and which eventually enabled its industrial take-off were soon

³²Vecqueray's report on Puerto Rico for 1894. P.P. 1895, p. 711.

³³Kiernan, *op. cit.*, p. 303.

³⁴Bairoch, *op. cit.*, p. 107.

copied and applied in other temperate countries, yet they had little or no relevance to the agriculture of the tropics.³⁵ Not all of Bairoch's premises would seem to apply to nineteenth century Puerto Rico. As we have seen, the heat did not appear to have a detrimental effect on the fertility of the island's soil, and diseases would seem to have been more often related to malnutrition than to the climate. However, the fact remains that Puerto Rico is a tropical country, and that, as such, its climate was bound to influence the perception of its British residents in whose minds the heat had become synonymous with lack of development whereas the temperate latitudes had come to represent the paradigm of industrial wealth and civilization. It is probably no coincidence that the one consul who did not find the island's climate particularly overwhelming was the only one who conceded, in 1870, to describing Puerto Rico as a "civilized country".³⁶

2. Puerto Rico as an economic and political entity

The consul's perceptions of the Puerto Rican geography, health and climate would have carried weight in the minds of prospective British immigrants but the general export manufacturer in London or Liverpool was certainly more interested in news concerning the prosperity of the island and the purchasing power of its people.

When reflecting on the way the island's resources were being exploited, the British consuls tended to pass a favourable judgement. Francis Cowper, it might be remembered, had summed up the general agricultural state of the island as "very well cultivated...Wherever the traveller goes he sees fine-looking plantations of sugar,

³⁵*Ibid.*, pp. 107-109.

³⁶Cowper's report on Puerto Rico for 1870. P.P. 1871, p. 761.

coffee, tobacco and rice, all of which form the principal productions of export".³⁷ His father furthermore described the island in 1870 as "not only the most prosperous, but the most promising of all the West India Islands". It need not fear the consequences of imminent emancipation as the number of slaves was so small, nor did it have to worry about any political disturbances due to the general prosperity of its people. "Indeed," he concludes "nothing but the grossest mismanagement can arrest its progress..."³⁸ Statements of approval such as these were however usually qualified in two respects: to achieve its full potential, the island needed a healthy injection of capital, especially foreign capital, and a more liberal government which would refrain from chauvinistic and excessively bureaucratic practices and exhibit a greater openness towards foreign investment. The following examples bear evidence to this sentiment:

Cowper, 1862:

That which is required to bring out the extraordinary capabilities of this island, with its free population, its fine climate, and fertile soil, is capital; not that there does not exist a great deal on the island, but it is pent up like the water of a lake which only requires an opening to enable it to flow out and enrich the country.³⁹

Francis Cowper, 1864:

Until foreigners and foreign capital are permitted a free entry into the island, and the restrictions which now exist are

³⁷Francis Cowper's report on Puerto Rico for 1864. P.P. 1866, p. 639.

³⁸Cowper's report on Puerto Rico for 1870. P.P. 1871, p. 759.

³⁹Cowper's report on Puerto Rico for 1862. P.P. July, 1862-63, p. 421.

abolished, the wealth of the island will never be brought out.⁴⁰

Pauli, 1875:

Foreign capital could be profitably invested in tramways and other public works "if the Spaniards could be persuaded to concede any sort of advantage to those investing their money [but at the moment this is] not a hopeful prospect as the laws require many formalities and occasion many delays."⁴¹

Foreign investment, more than foreign presence, was seen by the consuls as a crucial element in achieving the island's full potential. Their views were in accordance with the history of the island's development which had been largely made possible in the late eighteenth and early nineteenth centuries by promoting immigration instead of the natural evolution of a local sugarocracy as had been the case in Cuba. Therefore, in this respect, the British consuls were not proposing anything new. They were merely advocating for a continuation of the earlier process and lobbying for a greater participation on behalf of their countrymen which had not been allowed to take full advantage of the original boom earlier in the century as a result of unfavourable Anglo-Spanish relations and religious considerations. They were constantly urging British engineers and technicians to try their luck in Puerto Rico just as in 1815 the Cédula de Gracias had encouraged Peninsular Spaniards, Corsicans and loyalists from the South American rebel territories to take advantage of the island's abundant and fertile lands. The British emphasis at mid-century however was in the possibilities afforded to those who

⁴⁰Francis Cowper's report on Puerto Rico for 1864. P.P. 1866, p. 639.

⁴¹Pauli's report on Puerto Rico for 1875. P.P. 1876, p. 909.

possessed the technical know-how to develop the infrastructure of a country which, when compared to their previous Latin American or West Indian experiences, they seem to have believed was taking large strides in the right direction.

But development from outside, as opposed to from within, had resulted in a multitude of evils in nineteenth century Puerto Rico such as the scarcity of currency, high interest rates and a society whose wealth was largely based on debt. "Bring your own capital" became the motto of the consuls when promoting the island as a prospective gold mine for enterprising English architects, mechanics, engineers, carpenters and masons. Francis Cowper's warning in 1864 is typical:

No enterprise should be entered into with the reliance of obtaining capital from the capitalist here, for money cannot be had here for less than three or four per cent. a month; consequently, those who borrow their capital to commerce with are never able to pay back the interest and capital without being ruined.⁴²

He mentioned the fact that this situation had been "the ruin of many English enterprises in the island" and advised any Englishman who wished to try his fortune in Puerto Rico to bring his capital with him from England "where he can borrow money for the same rate per year as he could here per month."⁴³

The other major hinderance to the island's progress, according to most of the British consuls, was its government. Indeed, from the early days of the British consulate, very little love was lost between Her Britannic Majesty's agents in Puerto Rico and the Spanish authorities. The local officialdom had not welcomed the

⁴²Francis Cowper's report on Puerto Rico for 1864. P.P. 1866, p. 638.

⁴³*Loc. cit.*

arrival of the meddlesome foreign diplomat whose incessant enquiries into the slave trade they had found intensely irritating even if, on a personal level, Lindegren's relationship with the Captain-General and the Intendente seems to have been genuinely amicable. On the other hand, it was the general impression of the British consuls that the Spanish government in Puerto Rico was despotic, interfering, excessively bureaucratic and that it contained strong elements of nepotism. This opinion would be shared by a great many Creoles throughout the century.

It would be incorrect to refer to the island's administration as an homogeneous institution between 1844 and 1898. Political changes in Spain, of which there were many during the nineteenth century, invariably had their repercussions in the colonies resulting locally in a high turnover of governmental executives which had what Cowper described on 1871 as a "vibrant effect upon the political parties of the island".⁴⁴ September 1868, however marked a turning point for the island's politics. Not only was this the date in which the general disaffection of creole hacendados, intellectuals, labourers and slaves found expression in the Lares uprising, but it was also the date in which Isabel II, was dethroned, a fact which was to lead to the 1869 constitution in Spain and inaugurate a new era of representation for Cuba and Puerto Rico in the motherland.⁴⁵

Until 1868, however, the colonial administration was centred on the figure of the military governor whose rule was largely omnipotent. Civil, military and ecclesiastical powers revolved around the Captain-General and all posts of any importance were filled by Peninsular Spaniards, a fact which created much friction and

⁴⁴Cowper's report on Puerto Rico for 1871. P.P. 1872, p. 785.

⁴⁵Picó, *Historia general de Puerto Rico*, p. 204.

resentment from the Creole elites.

No British agent was as vocal in accusing the Spanish government of despotism as Mayagüez's vice-consul Leopold Krüg.⁴⁶ In his report on Mayagüez for 1866 Krüg denounced the lack of interest manifested by the Spanish government in facilitating the commerce and agriculture of this prosperous district. He claimed that importers (like himself) were often restricted by unpractical regulations made by officials who knew nothing about commerce and agriculture, and which may have looked very well on paper but were entirely impracticable. Customs officials, he complained, conceded "all lawful facilities" required by merchants as if these were favours. These favours always had a price and it therefore became quite important for large importers to be on good terms with the collector of customs.

This is the same with all other Spanish authorities, who hold an entirely despotic command over the public; so much so that, until the last year, even the Mayor (corregidor) of our town was a captain in active military service, holding at the same time three other offices, and taking the corresponding salaries. He actually ruled over the whole town and district as a conqueror rules over a conquered country."⁴⁷

Even Consul Cowper, whose admiration for the labour-coercive *libreta* system led him to declare in 1866 that a military government such as that of Puerto Rico had "its political advantages in a country of antagonistic races and conditions, and favourably influences the state of

⁴⁶Although Krug served as British vice-consul for Mayagüez, it must be noted that his nationality was in effect either Danish or Polish (P.R.O., F.O. 72/10870). He was one of the partners of the leading merchant house in Mayagüez at the time (P.R.O., F.O. 72/1014, Hunt to Russell, 27 April, 1861).

⁴⁷Krüg's report on Mayagüez for 1865. P.P. 1866, p. 208.

society"⁴⁸ was forced to admit the following year that:

The general impediment to the prosperity of this island, is the fact that the Spanish Government delivers it to the tender mercies of hordes of hungry employes (*sic.*); the consequence is, that with laws admirably adapted to the condition of the population, it sacrifices its own popularity, and the gratitude which would otherwise be felt for it by the Creoles, but utterly ignoring them, [...allows] the country to be squeezed dry by needy men from Spain, for whom no post is too low for acceptance, from the Captain-General to the Alcalde of the poorest hamlet. All posts are filled by true Castilians, and the salaries and emoluments are all upon a scale becoming so great a people; they seem at last to have reached or passed the limits of possibility, for the Treasury is without funds, and the members of the services, civil and military, are some months in arrears of pay, and it is one of the remarkable circumstances connected with this island that it can support a drain so continuous.⁴⁹

In principle, the 1870,s inaugurated an era of greater political freedom in Puerto Rico. The liberal sentiment experienced in Spain under the First Republic (1873-74) trickled down to its colony, even if the new legislation was only ever partially and gradually applied there. The predominance of the island's Conservative party, unconditionally loyal to Spain, in local politics, was secured by severe restrictions imposed upon the electorate which was limited to adult male taxpayers. Wealthy Peninsular merchants were especially supportive of the Conservative Party, but it would be incorrect to

⁴⁸Report by Consul Cowper upon the System of Labour adopted in the Island of Puerto Rico and the State of Society there. P.P. Aug.-Sep. 1866, 1867 [3761] LXVII.1, p. 146.

⁴⁹Cowper's report on Puerto Rico for the Year 1866. P.P. 1867, p. 564.

identify all wealth automatically with a Conservative inclination. During the late decades of the century, when the sugar industry had entered its critical stage, the largest, more progressively minded hacendados favoured such policies as the liberalization of foreign trade, easier access to foreign capital and the promotion of a free and accessible pool of cheap labour as the only possible means of rescuing the industry. All of these were predicates of the economic liberalism shunned by the Conservative Party. In contrast, small and medium proprietors, mainly in the coffee-producing and subsistence crop sectors, but also amongst traditional muscovado-sugar growers, had reasons to favour the *status quo*. The State, backed by the Conservatives, turned its attention to these sectors by promoting, amongst other things, land distribution to the destitute and unemployed as a means of raising revenue through land tax, and a form of economic nationalism that would reduce the island's dependency on imported foodstuffs and therefore lessen the threat of United States economic domination. The Spanish authorities were quite successful in rallying support from the population as their policy benefitted a very large proportion of society. According to Astrid Cubano:

The numerical strength of the interested parties and of small and medium ownership, as well as the possibility of making land distribution more efficient and exact with a view to turning the peasantry into a tax-paying sector, and the stability obtained from the traditional sugar producers with their old-fashioned mills or as farmers of a larger mill, all gave credibility to the Conservatives' project and contributed to the colony's political stability, at least until 1896.⁵⁰

⁵⁰Astrid T. Cubano, "Paz pública y propiedad territorial: La discusión sobre política agraria en Puerto Rico, 1880-89", *Op. cit.*, Vol. 5, 1990, p. 29.

It is hardly surprising that the British consuls found Conservative policy distasteful with its protectionist tendencies which hampered the freedom of trade. Liberal ideology was heavily identified with the British and in 1887, the Intendente, Miguel Cabezas, openly termed it "the English System" and described it in a treatise published that year as follows: "English policy is arrogant and repulsive for its main object is the separation of the consumer and the producer. In this direction lies poverty and slavery."⁵¹

In spite of the general acceptance of Conservative policy, the Spanish authorities could be quite ruthless against opposition. Their tactics were not always very ethical and elicited abundant criticism from the consuls who were already predisposed against them. It was not uncommon, for example, for locally elected politicians to be substituted by Peninsulares by direct order of the governor as Bidwell comments in 1878: "The people elect the [municipal] corporation; the corporation choose their mayor; and the Governor-General, *quand bon lui semble*, appoints another in his stead."⁵²

When reflecting upon the negative judgements passed by the British consuls on Spanish colonial rule in Puerto Rico, one might be called upon to consider the anti-interventionist nature of their own country's government, its Parliamentary Reform Acts aimed at a more fair and even electoral representation and the Liberal ideology which defined its politics throughout the whole of the nineteenth century. In view of the commendable advances of the democratic cause that were taking place in their own country, it should not be a matter of great surprise that the British consuls found the centralised control system applied to Puerto Rico by Spain and perpetuated,

⁵¹Miguel Cabezas, *Lecciones de ciencia social basadas en la importante obra de Mr. H.C. Carey*. Madrid, Estudio Tipográfico de Ricardo Rey, 1887, pp. 5-6, from Cubano, "Paz pública...", p. 23.

⁵²Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. ???.

in spite of reform, by effectively preventing local participation in the island's administration, especially repugnant. Their antipathy however, becomes somewhat less clear when Britain's own colonial experience is called to mind. Strict bureaucratic rule by the metropolis with little or no participation by the native citizens was a common characteristic of all European imperial powers during the nineteenth centuries. In the words of D.K. Fieldhouse:

Government consisted of officials, appointed and removable by the metropolitan authorities and thus in no sense responsible to those they ruled. In most colonies there was a central council to advise the governor. This might contain a few indigenous representatives, probably nominated rather than elected, but the majority of members were European officials with very limited ability to control the governor or deviate from metropolitan policy [...] colonial officials were able to pursue their objectives with minimum concern for the political consequences and the few indigenous politicians found it extremely difficult to obtain a platform. Below the central governments stretched a descending hierarchy of European colonial officials down to the district officer all career bureaucrats [...] they too thought of government in terms of administration not politics. For better or for worse, colonialism in most territories meant absolute rule by Platonic guardians or perhaps enlightened despots of the eighteenth century.⁵³

The classic example of this type of government was British India, i.e., those parts of the subcontinent where the Indian princes had been deposed. It is true that British colonial rule was not homogeneous and that a

⁵³D.K. Fieldhouse, *Colonialism, 1870-1945*. London, Weidenfeld and Nicolson, 1981, pp.28-29.

variety of methods were enforced on different colonies ranging from the very direct rule of British India to indirectly exercising control over the country through its own traditional institutions and native leaders. Yet, even in the latter, more liberal case, colonial intervention always placed obstacles in the ways of local intellectuals and professionals who "found themselves frustrated in most colonies because Europeans monopolized top posts."⁵⁴

British feelings towards the Spanish colonial system in Puerto Rico therefore varied according to the issue under consideration. The system was deplored for its protectionism and excessive bureaucracy as both characteristics affected British trade with the island adversely. Its authoritarian and nepotistic tendencies were found equally distasteful as they effectively ruled out participation of the local intellectual elites in the island's administration, whose liberal tendencies were agreeable to British economic liberalism and were perceived as favourable to the interests of British trade in Puerto Rico. However, the same despotic tendencies so loudly decried by the consuls could equally be the subject of praise and they were often pointed out as the agent that made possible the peaceful atmosphere which prevailed in Puerto Rico. In 1866, Consul Cowper reported "no perceptible racial differences" in the population, all classes and races living in "perfect harmony". Crime rates, he added were very low. If the military government had one advantage, it was that of keeping the people "in position" and speculation on such subjects as human rights, races and nationalities, which he pictured as "dormant torpedoes in the bosoms of societies like those of the West Indies" was likewise kept at bay. The strictness of the government, he continued, had averted any problems by promoting laws to

⁵⁴*Ibid.*, p. 34.

regulate labour "which oblige every man to perform his first duty to society by working for his living and becoming an aid instead of a burthen to it, and thus not only providing for his body but diverting his mind from topics impossible for the majority to understand, and which would consequently be like a lighted torch in their hands."⁵⁵

Consul Cowper, it must be noted, was a great supporter of the *libreta*, a coercive labour system instituted in Puerto Rico in 1849 by governor Juan de la Pezuela under the title of *Reglamento especial de jornaleros* ("Special Regulation for Day Workers"). It declared a vagrant anybody devoid of a trade, profession, income, or salary, including those who, having a trade, did not practice it, and those whose income was insufficient to cover all their needs.⁵⁶ The regulation classed all males over 16 who at any time during the year had to work for an employer, regardless of whether they owned land or not, as *jornaleros* (day workers) and issued them a *libreta* or workbook, with a registration number. This workbook was to be carried at all times and all of the man's labour contracts, where engaged, and with whom, were recorded in it as well as a description of his behaviour and a mention of any debts incurred while employed. An official was appointed at each district to make sure that the *jornaleros* under their jurisdiction were constantly employed.

In 1839, a similar measure instituted by the governor Miguel López de Baños in 1837 had been overturned by the Spanish overseas ministry who had considered it inappropriate and oppressive, but the constant need of labour in the plantations, the

⁵⁵Cowper's report on the system of labour. P.P. Aug.-Sept. 1866, p. 146.

⁵⁶James L. Dietz, *Economic History of Puerto Rico. Institutional Change and Capitalist Development*. New Jersey, Princeton University Press, 1986, p. 43.

decreasing availability of slaves in Puerto Rico after the mid-1830's and the existence of a large free peasantry who would make slave labour unnecessary if it chose to work in the fields, made the application of a bit of persuasion an increasingly tempting option.

The problem faced by the planters was that, left to their own devices, it was clear that the peasants would not abandon the carefree lifestyle with which they met their modest needs for the exhausting task of planting and reaping cane in a plantation or working in the infernal sugar factories. It was indeed a characteristic shared by many regions of Latin America once the transition from subsistence to market economies got under way. As world demand for tropical exports grew, landowners felt the need for hands in the fields. In the case of Cuba, Puerto Rico and Brazil, until the onset of abolition, this need resulted in increased purchases of slaves. In the rest of Latin America, it would translate into direct or indirect pressure being applied to the peasant population on the part of the landowners who became increasingly more eager to move towards a system of wage labour. This could be achieved by reducing the rights of tenants and sharecroppers, by demanding greater labour services, or occasionally, by enlisting the favours of the government which was often sympathetic to the landowners' interests and who could provide help indirectly, by increasing the "needs" of the population through the applications of new taxes, or directly by coercive legislation.⁵⁷ This became the case in Puerto Rico once the importation of slaves ceased to be an economically viable alternative for most planters in the 1840's. Similar systems of coercive legislation were also imposed upon the peasants of Argentina where, as early as 1815, a decree had proclaimed every propertyless

⁵⁷Arnold J. Bauer, "Rural Workers in Spanish America: Problems of Peonage and Oppression", *Hispanic American Historical Review*, Vol. 59, No. 1, 1979, pp. 52-55.

countryman a servant with the obligation to carry a card and have it checked every three months by his master, and in Guatemala, where even as late as 1933, anti-vagrancy laws were restored, forcing every Indian to carry a book listing his days of work; should these be deemed insufficient, he was liable to incarceration or forced labour.⁵⁸

The need for pressure highlighted the clear and understandable reluctance of villagers and squatters of any nationality to work for remuneration if their own land provided them with enough to meet their basic needs which were simple and could be easily satisfied with reasonably little exertion. This clash of interests resulted in a proliferation of complaints on behalf of the planters on the laziness of the peasantry. It was the case in Cuba where, during the years of the sugar boom a large number of peasants emigrated to the port cities, choosing to inflate the slum population rather than work in the haciendas.

Police records and sugarmill reports of the period fulminate with indignation against this mass of people without known occupation, living off gambling or prostitution or as petty hangers-on or middlemen, always flatly refusing to bury themselves eighteen hours a day in the sugarmill."⁵⁹

A similar situation has been described by Brian Blouet for Trinidad in the 1840's. The planters, says Blouet, "complained vociferously concerning the idleness of the black population" when in truth, James Stephen at the Colonial Office accurately summed up the situation in the following statement: "who will work for wages when he can live in independence without them? Who will work

⁵⁸Galeano, *op. cit.*, pp. 201 and 126.

⁵⁹Moreno, *op. cit.*, p. 139.

for the low wages which a sugar planter can afford when he can satisfy all his wants by cultivating unoccupied ground?"⁶⁰

Foreign travellers, especially from northern latitudes added their own expressions of distaste of what appeared in their eyes to be the unforgivable lack of ambition and propensity to sloth of the Latin American peasantry, readily forgetting that their own countries had often experienced similar tensions between landowners and peasants about one century earlier. "These attitudes", says Bauer

should not be dismissed out of hand as mere racism or insensitivity of the exploiter. Rather, we are seeing in all of these cases, at a time when markets and the prospect for gain were strong, a clash between the values of entrepreneurs culturally akin to the time oriented employers of the industrial world who, especially by 1870, were beginning to insist on reliability, discipline and constancy in their workers. Opposed to this were those very different values of rural people, villagers, peons, and seasonal workers. The growing number of complaints and the tone of intensity and frustration indicates the mounting problem in this clash of values.⁶¹

Thus, Cowper was not alone in his perception that the populace should be made to engage in regular paid labour, regardless of whether they considered it necessary or not. His fervent feelings against slavery did not seem to clash with his acceptance of limiting the labourers' freedom or trespassing upon their rights, a fact which, one cannot help but noting, was perfectly in

⁶⁰Brian Blouet, "The Post-Emancipation Origins of the Relationships between the Estates and the Peasantry in Trinidad", in *Land and Labour in Latin America: Essays on the Development of Agrarian Capitalism in the Nineteenth and Twentieth Centuries*. Edited by Kenneth Duncan and Ian Rutledge with the collaboration of Colin Harding, Cambridge, University Press, 1977, p. 445.

⁶¹Bauer, *op. cit.*, p. 59.

line with a culture which championed the commendable battle against slavery at the same time as it passed the 1834 Poor Law (also known as the New Poor Law) which condemned a large number of its own destitute population to a life of subhuman degradation within the workhouse.

What made Cowper quite unique was the extent to which he favoured the libreta system. In 1848, while exercising his post as British consul at Pernambuco, he had reported on the difficulties which planters encountered in securing free labour for their haciendas there, due to which they were forced to resort to slave labour although it was well proven to be more expensive and less productive. Such was the case of *engenho* "Salgado" which employed 80 slaves:

"The actual cost of raising 171.5 tons of sugar by slave labour, yielding Rs. 19,000/000 or £2,137 10s., under the most favourable circumstances of a rich proprietor and an excellently regulated estate was Rs. 11,120/000 or £1,252; whereas if the same labour had been performed by freemen, the cost would not have exceeded Rs. 9,600/000 or £1,080 [...] On the other hand, it is necessary to observe that freemen are admitted to work harder than slaves, which indeed is a natural consequence of a man working for his own profit instead of another's; 300 days of free labour are therefore indisputably equal to 365 of slave; but, on the other hand, I am not prepared to say that the proprietor of "Salgado" could, however willing, have supplied himself with eighty freemen for regular daily work.⁶²

Cowper no doubt found this lack of economic rationale frustrating and when confronted with the Puerto Rican experience, he would have felt inclined to bestow praise upon a system which at least purported to avoid

⁶²Cowper's report on the Cultivation of Sugar in Pernambuco. Correspondence relative to Distress in the Sugar Growing Colonies. P.P. 1847-49, XLVI, p. 752.

such misgivings. And this he did with inordinate zeal: He believed that the prosperity of the island was entirely due to this system without which the country would fall into "primitive barbarism by surrendering it to squatters."⁶³ Governor Juan de la Pezuela had "distinguished his administration" by compiling the regulation which he admitted was coercive but praised as being impartial to race and colour. "This law", he claims, "can neither be called slavery in disguise nor serfdom, as it differs altogether from both in its most essential points". On what these differences might have been, however, Cowper does not elaborate. He did have some objections to the system, but these were on points which could be easily remedied. One of these objections concerned the rumour that some labourers could get their workbooks signed by persons who had not employed them. He believed this was probably true ("the abuse of giving false character exists all over the world"), but if the punishment for so doing were to be increased from a fine to imprisonment, the problem would soon cease.⁶⁴

Cowper was so keen on the system, that in 1866 he submitted an unrequested full and detailed report on the subject to the Foreign Office promising more information and expressing a willingness to answer any questions that his employers might wish to ask him concerning the libreta. In successive reports he returned to the subject, frequently repeating his admiration. He even provided a questions and answers section on the subject in his general commercial report for 1866.⁶⁵ Cowper was so convinced that the island owed its prosperity to the coercion of its labourers that as a conclusion to his special report he "ventured to prognosticate" that,

⁶³Cowper's report on Puerto Rico for 1862. P.P. July 1862-63.

⁶⁴Cowper's report on the system of labour. P.P. Aug.-Sep., 1866, pp. 147-148.

⁶⁵Cowper's report on Puerto Rico for 1866. P.P. 1867.

should the system be abandoned,

everything will change; squatters, vagrants, the antagonism of races, crime, the want of labour, and the demand for its importation, decreased production and commerce, bankruptcy and discontent, will take the place of their antitypes, and Puerto Rico will lose its exceptional character as the Garden of the Antilles."⁶⁶

Why Cowper was so impressed with the system remains a bit of a mystery. By the time of his arrival in Puerto Rico, even the Spanish authorities had become slightly disillusioned with its functioning. Pezuela's successors did not implement the regulation with the severity with which it had been intended. Had the system been effectively applied, it might have had its desired effect: that of creating "a labor force working under labor-market conditions"⁶⁷ but in reality, its results were far from satisfactory. One of the main reasons for this was the chronic lack of money that affected even the richest planters in the island. Without cash, workers had to be paid in vouchers known as *riles* or *vales*, usually redeemable only at the company store. It was customary for the stores to artificially inflate the price of their merchandise, debt becoming a strong tie between hacendado and employee. Under these conditions, the system could only be kept working through strict supervision and this was in the hands of individual municipal authorities. Lack of funds and a shortage of administrative personnel resulted in weak and sporadic enforcement. Subtle ways of evading the system were common practice especially in the interior. Indeed, according to Arnold Bauer, repressive measures aimed at separating peasants entirely from their independent

⁶⁶*Ibid.*, p. 148.

⁶⁷Dietz, *op. cit.*, p. 47.

livelihood were rarely effective anywhere in Latin America for the same two reasons: direct or indirect peasant resistance, and the inability or unwillingness of the authorities to enforce the repressive measures.⁶⁸ The libreta system was abolished in Puerto Rico in 1873 together with slavery without causing a general cataclysm much to Consul Cowper's surprise.

It appears that the reasons behind Cowper's enthusiasm lay in the possible application of a similar system in the British possessions. He repeatedly compared Puerto Rico's prosperity with the "lax and impolitic" laws prevailing in Jamaica (its capital, Kingston, he classed as a "dreary" place)⁶⁹ although he confessed he had doubts as to the applicability of such measures to that island, whose population, "accustomed to self-government and licence" might not tolerate them.⁷⁰ However, soon after Cowper's exceedingly favourable reports on the workbook, in a very distant part of the British Empire, the application of a similar system of coercion of free labour was attempted by the colonial authorities. "In 1867," says Noel Deerr, "the Mauritian Government passed a law defining a vagabond as any person not in regular employment. The object of this law was to force time-expired or 'old immigrants' to re-engage under indenture on sugar estates." These were Indians who had come to Mauritius as indentured servants and had stayed there after their contracts had expired. Contrary to Puerto Rico, the law seems to have been applied in Mauritius with consistent zeal by the police and

⁶⁸Bauer, *op. cit.*, p. 56. There are opposing views to Bauer's assertions on the limited success of landowners in affecting the peasant's lifestyles through oppressive measures of any kind. (See, e.g., Brian Loveman, "Critique of Arnold H. Bauer's 'Rural Workers in Spanish America: Problems of Peonage and Oppression'", *Hispanic American Historical Review*, Vol. 59, No. 3, 1979, pp. 478-485.) But in the case of Puerto Rico, his comments seem applicable.

⁶⁹Cowper's report on Puerto Rico for 1866. P.P. 1867, p. 564.

⁷⁰Cowper's report on the system of labour. P.P. Aug.-Sep. 1866, p. 148.

magistrates. Many of the latter were themselves interested in the sugar estates. The system was soon protested as unjust and, after careful investigation, it was found to lend itself to a large number of abuses. It was abolished within a decade of its passing.⁷¹ Although I have found no official evidence that Cowper's reports on the Puerto Rican system resulted in an attempt to apply a similar method in Mauritius, the proximity of the dates, and the fact that it was applied to a more tractable immigrant population, seem to point towards the possibility that the consul's opinion could have cut some ice in relevant quarters.

If Cowper's favourable views on the island's prosperity and the general contentment of the population were undoubtedly tainted by his enthusiasm towards the labour system, his successors could be counted on to give a more impartial view of the country's state of affairs. Generally speaking, their outlook tended to be positive, at least in comparison with the troubled situation in the rest of the Caribbean and Latin America. Disaffection existed, but it rarely reached the point of outright rebellion. Civil war and revolution were never perceived as a serious threat by the consuls, consequently, they saw no need for prospective immigrants to fear for their lives or their property. Lindegren stated this clearly in a special report on the island's sugar industry requested by the Foreign Office in 1848: "Property is perfectly secure here and disturbances upon the estates to any extent very rarely occur. The likelihood of a slave uprising is remote and would be very easily suppressed."⁷² More importantly, uninterrupted peace translated into a favourable atmosphere for foreign trade. Serious crime was relatively infrequent, although

⁷¹Deerr, *op. cit.*, Vol. 2, pp. 393-394.

⁷²Lindgren's report on the Sugar Industry of Puerto Rico. Correspondence relative to Distress in the Sugar Growing Colonies. P.P. 1847-48, p. 759.

a severe depression, such as that brought about by a combination of natural disasters and the financial crisis of the treasury in 1867 could trigger bouts of robbery and even murder, offences which, according to Francis Cowper, had until then been almost unknown on the island.⁷³ The "quiet condition of the island from a political point of view" which was likely to produce confidence among foreign traders, was put forth by Consul Pauli in 1877 as the only reliable feature the island possessed to pull itself out of a trade depression occasioned by a drought which had affected the sugar producing districts during 1876 followed by a severe hurricane that September and compounded with the difficulties which were beginning to arise from the abolition of slavery.

Abolition, that dearest of all causes for nineteenth century English diplomacy, was achieved in Puerto Rico in March 1873. It was received with delight, not only by the British consul but also by the majority of the island's population, whose intellectual elites had long been pressing Spain for its implementation. According to Cowper the approval of emancipation in the island was so widespread that even those "hitherto the most rampant defenders of slavery, have been metamorphosed into abolitionists, and upon the-fox-who-had-lost-his-tail principle, declare that it is a shame that the slaves in Cuba are not freed."⁷⁴

The number of slaves in Puerto Rico had always been small, both numerically and as a proportion of the total population, especially when compared to the Cuban situation and that of the British, French and Dutch West Indies before abolition. It was for this reason that the British consuls as well as local abolitionists were

⁷³Francis Cowper's report on Puerto Rico for 1867. P.P. 1868-69, p. 608.

⁷⁴Cowper's first report on Puerto Rico for 1873. P.P. 1874, p. 887.

convinced that emancipation would have none of the dire economic effects that advocates of the system predicted would befall the island's sugar industry as a result. This assumption seemed reasonable enough if slave-owners were compensated fairly by the government for the loss of their "investment". This however, did not turn out to be the case. The Spanish government, burdened with financial difficulties, issued ex slave owners with vouchers instead of cash. There followed a long wait on the part of the recipients interspersed with sporadic gleams of hope and much speculation, until the final realisation that their vouchers were totally worthless was arrived at. The government's failure to honour its debt could not have come at a worse time for the island's sugar industry. Faced with low sugar prices and serious competition from European beet sugar, compensation for abolition had become the last hope for many sugar hacendados to invest in cost effective machinery or to pay off their debts if such investments had already been undertaken. In 1875, Consul Pauli expressed his admiration and sympathy towards the planters who were "as over-weighted as they [could] well be", for their "gallant struggle against difficult circumstances", for accepting abolition in "such a patient and manly way", and for having helped in some cases to bring it about even when it had been so "detrimental to their financial interest and the value of property, especially when coupled with the default of their Government in the question of indemnity".⁷⁵

By 1878, according to Bidwell, the "ruin of the island" was deplored everywhere except (the exception being one of growing importance) in the coffee regions. It was roughly at this point that Puerto Rico lost Britain as a customer while it increased its dependency on British manufactures and from then on, the British

⁷⁵Pauli's report on Puerto Rico for 1876. P.P. 1877, p. 1533.

consuls would show a noticeably reduced interest in reporting on details concerning the island's agricultural production. The further vicissitudes of the Puerto Rican sugar industry ceased to be of great interest in Britain as demand for the sweet was increasingly satisfied by continental Europe, and the prosperity of the island's coffee industry attracted little attention to a country that showed a marked preference for tea. It is at this turning point for the commercial relations between both countries that Consul Bidwell delivers his impressions on the reasons behind the demise of the Puerto Rican sugar industry which are worth quoting at length:

If, however, a foreigner might be allowed to form an opinion as to the effect of the high price of sugar in former years in Puerto Rico, it would be that it was this very high price which conducted, in some measure, to the general depression from which the island is now stated to be suffering, and which is bemoaned from one end to the other. The wealth which Puerto Rico enjoyed a few years ago was the wealth of a gambler, and it has disappeared as gamblers' gains usually do. The Spanish Government was taught by it to believe that the island could pay any amount of taxes and contributions, and could support a whole army of soldiers and employés from the Peninsula; but the taxes were not employed in making roads or public works beneficial to the province. The planters, if accounts are to be trusted, were taught to believe that neither prudence nor economy was necessary in the conduct of their business and that they might live without thrift, make expensive visits with their families to the capitals of Europe, and even, when in the island, absent themselves from their plantations, borrowing money, if needs be at 18 and 24 per cent. per annum. Then came the bad years, the hurricanes, the emancipation of the slaves, the sugar-cane disease and the fall in prices from the beet-root competition in Europe, and the extensive cultivation of sugar in all sugar-growing countries. Engagements were no longer kept: credit little by little

was withdrawn; and failures have been abundant; but the contributions remain, and the roads and bridges and canals and railways have yet to be made. It is not too much to say that a large number of the richest planters of a few years ago are to-day involved in difficulties, owing in a great measure to the expenses, disproportionate to their legitimate income, into which they were led by the high prices of sugar; and the merchants have naturally suffered in their ruin.⁷⁶

The situation described by Bidwell was not unique to Puerto Rico. In the last years of the eighteenth century and the early 1800's, a similar frenzy had possessed Cuba during its "Dance of the Millions": a feverish desire to extract the full benefits of sugar, then the most lucrative of crops, in the face of which social, ecological and long-term economical considerations were brushed aside as unimportant:

...what characterizes the early days is the insecure feeling that gripped a whole class, convincing it to seize the fruits of the present because it did not trust the future.⁷⁷

Cuba's "Dance of the Millions", however, did not bring about the demise of the Cuban sugar industry, and Puerto Rico's equivalent, which had come later and less dramatically was certainly not as responsible in bringing about the ruin of the planters as Bidwell would lead us to believe. World overproduction was without a doubt the most important factor in depressing the price of sugar, and no amount of personal thrift on behalf of the local hacendados could have stemmed the difficulties that would plague the industry as a result.

⁷⁶Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1624.

⁷⁷Moreno, *op. cit.*, p. 62.

3. *The Puerto Ricans: Their character and society*

The British consulate opened its doors in Puerto Rico around mid-century, shortly before the Indian Mutiny of 1857-58. The date is significant because, as a result of Mutiny, the British government abolished the rule of the East India Company and assumed direct control of the subcontinent, thus officially consolidating British domination of what rightly became known as the "jewel in the imperial diadem". In the minds of the British public, India was synonymous of "the Empire". No possession, before or after, was to bestow a greater sense of the imperial in the British psyche than India. British power in Asia radiated from India; economically, the colony's importance was crucial; but psychologically, the effect was no less powerful. Feelings of British racial superiority developed from the colonial relationship, especially after the Indian Mutiny. In the words of Bernard Porter, "the Indian had to be inferior to justify his subjection".⁷⁸ Such feelings were intensified after 1870 with the spread of British control over the African continent where the frequent absence of those institutions which in Britain were associated with civilization further influenced the racial attitudes of the colonizers. The British learned to perceive their colonial endeavour as a civilizing mission and the attitudes grew deeper as the Empire grew larger.⁷⁹ These racial attitudes were evident even outside of the Empire and consequently "natives" (i.e., the non-white inhabitants of non-industrialised countries) were often perceived as wanting in culture and civilization.

⁷⁸Bernard Porter, *The Lion's Share: A Short History of British Imperialism, 1850-1970*. New York, Longman, 1975, p. 46.

⁷⁹Christine Bolt, "Race and the Victorians", *British Imperialism in the Nineteenth Century*. C.C. Eldrige (ed.), London, Macmillan Publishers, Inc., 1984, pp. 126-147.

It is hardly surprising, therefore, that many of the British diplomats which held office in Puerto Rico exhibited the characteristic traits of the colonizer exemplified by their occasional xenophobic tirades and racist remarks. In their eyes it was the island's saving grace, from a racial point of view, that the relatively late and mild application of slavery had kept most of the population's skin from assuming a deeper shade of brown. Time and again the consuls comment on the fact that the majority of the island's population was classed as "white" (as opposed to "coloured"); Puerto Rico's racial composition, commented Cowper in 1866 was "unique in the Caribbean or any other tropical country".⁸⁰ It was not until 1900 that a British consul chose to disagree with the official statistics. Consul Churchward described the Puerto Ricans as being a people

of all sorts and degrees of mixed breed, Carib, negro and white in every possible blend, and of all colours from jet black to quite light yellow.

About 70 per cent are said to be of the Caucasian race, but that proportion is, however, too large if appearances have, anything to do with distinction. Some 70,000 are estimated to be negroes, and 240,000 mulattoes of all sorts.⁸¹

Perception of colour is, of course, ultimately subjective. But if it was difficult to agree on what proportion of the Puerto Ricans' blood was "white", it was certainly very obvious that the language shared by the whole population was Spanish. Language is probably the one aspect that most effectively defines a culture, and the retarded economic development of Spain (and Portugal) during the nineteenth century, had earned it

⁸⁰Cowper's report on the system of labour. P.P. Aug.-Sep. 1866, p. 146.

⁸¹Churchward's report on Puerto Rico for 1899. P.P. 1900, p. 339.

not a little contempt from its more powerful European neighbours. There was a tendency among Anglo-Saxons, comments Kiernan, to associate all things Latin with excitability or childishness. The feeling was not confined to the Peninsula but survived, perhaps increased, across the Atlantic:

Sir Harry Parkes, who was often angry with the Japanese, once relieved his feelings in the strongest language he could resort to by saying that Japan would never be anything better than "a South American Republic". The phrase conjured up a fantasia of political incapacity, humbug, rodomontade, and an interminable wrestling match between Tweedle-dum and Tweedle-dee, a succession of revolutions sometimes bloody but always resounding with empty proclamations.⁸²

In Puerto Rico, the British consuls regarded Peninsular Spaniards under a particularly harsh light, insofar as they made up practically the entire governmental personnel with their long list of negative qualities already mentioned. A further characteristic which the consuls seemed to attribute more to their nationality than to their position was that of being "jealous of foreign interference" although, in truth, it would have been difficult to imagine any self-governing nation who wasn't. Nevertheless, Cowper found this jealousy particularly taxing when having to deal with any incident involving wrecks of British ships off the island's coasts as the Spanish authorities would assume total control of the wreckage and resented any attempts of the consul to participate.⁸³ In 1874, Consul Pauli, commenting on the unfair nature of custom-house regulations claimed that foreign merchants in the island did not feel free to take the initiative in protesting to

⁸²Kiernan, *op. cit.*, p. 301.

⁸³Cowper's report on Puerto Rico for 1862. P.P. July, 1862-63.

the government "owing to the proverbial jealousy of Spaniards to foreign intervention."⁸⁴

The Spaniards had their own reasons to be particularly jealous of British intervention. Britain's intrusions in Spanish affairs after 1808 had created an atmosphere of mistrust and resentment that would often surface throughout the century. Wellington's support of Spanish absolutism was to carry considerable weight in Fernando's VII return and the abolition of the 1820 constitution; the British had intervened in the conflict between Spain and its colonies by offering to mediate but never on terms favourable to Spanish eyes while obviously keen on securing a commercial advantage in the territories; British interest in Cuba was, during the early part of the century feared just as intensely as that of the United States; all of these incidents could only feed Spanish mistrust for the British who in the early half of the century vied aggressively with the French for commercial supremacy in the Peninsula involving themselves more and more deeply in the country's internal affairs.⁸⁵ Under the government of Espartero, anti-British feeling in Spain reached a peak. One conservative newspaper, *El sol*, went as far as to attack England "because England was England" and also because it was believed that Espartero was "England's tool".⁸⁶ Indeed, by mid-century, it would seem that popular images of Britain in Spain were rather bizarre and not altogether flattering. Tomás Bertrán Soler, an ex-revolutionary who despised the new socialist tendencies which were developing in Spain as much as he despised English Liberalism, might have summed up the

⁸⁴Pauli's report on Puerto Rico for 1874. P.P. 1875, p. 801.

⁸⁵Morales, *op. cit.*, pp. 93-94.

⁸⁶Alberto Gil Novales, "Images of Wellington and Britain in Spain after 1815". The Second Wellington Lecture, University of Southampton, 1990, p. 22.

sentiments of a large number of his countrymen in his book, provocatively entitled; *Los ingleses tales como son* ("The English as they really are") when he described the English as "rather eccentric people who have funny features and sometimes display total incomprehension", and who spoke a language that was "good only for ducks".⁸⁷

British contempt towards the Spaniards was therefore met by Spanish mistrust of all things British, and while the essence of these sentiments was not lost across the Atlantic they were modified by Puerto Rico's colonial experience. Puerto Rico, after all, was not Spain; it was a tropical colony, probably sharing as much in common with its motherland as it did with the greatest of Britain's tropical colonies, India. The consuls' perception of the island's population, therefore, alternated between both experiences. In their descriptions the Puerto Ricans were almost as likely to be referred to as Spaniards as they were to be described as "natives" with a different set of biases and prejudices applying to each category. Nevertheless, at times, British perceptions on both did overlap.

The two most frequent accusations raised by the consuls on the Puerto Rican population were those of incompetence and laziness. Although two-fold, they were variations of the same theme, the higher echelons of society were more prone to being called incompetent, while the labouring classes alone bore the label of laziness. Furthermore, criticism of the higher strata of Creole society was not only cushioned in somewhat softer language, but it was also less abundant than that bestowed upon the working population. Bearing in mind the British colonial mentality of the time, Albert Memmi's comments would seem appropriate:

⁸⁷*Ibid.*, p. 23.

Nothing could better justify the colonizer's privileged position than his industry, and nothing could better justify the colonizer's destitution than his indolence. The mythical portrait of the colonized therefore includes an unbelievable laziness, and that of the colonizer, a virtuous taste for action. At the same time the colonizer suggests that employing the colonized is not very profitable, thereby authorizing his unreasonable wages."⁸⁸

In Puerto Rico, according to Cowper, the quality of the labour was not only "of the worst description" but also very expensive. He described the average wage for a labourer in 1862 as 2 shillings plus food per day "for a day's labour which would shame an English labourer not to complete in an hour".⁸⁹ The rate of pay for Puerto Rican workers does appear to have been high when compared to equivalent English wages at the time which ranged between 1s. 6d. to 2s. 4d. a day without food. (See Table 61.) Due to the great differences in the nature of the crops and the methods of cultivation, it is not possible to draw a similar comparison in terms of the productivity of workers in both countries, but the conviction that Puerto Rican labourers were being paid much more than they were worth or that their wages were simply too generous was a recurrent theme in the consular reports. Ponce's vice-consul, Daniel Basanta, was less severe in his judgement when he merely classed labourers and domestic servants as "not very industrious".⁹⁰ Even in the female realm of the home was the peasant found to be at fault. After abolition, said Bidwell,

⁸⁸Albert Memmi, *The Colonizer and the Colonized*. Trans. Howard Greenfield, Boston, Beacon Press, 1967, p. 79.

⁸⁹Cowper's report on Puerto Rico for 1862. P.P. July, 1862-63.

⁹⁰Basanta's report on Ponce for 1872. P.P. 1873, p. 1064.

women are not greatly employed in agricultural labour...it cannot be said that they are detained at home by household cares, for household cares must be few indeed in a hut devoid of furniture, where cooking is reduced to a minimum, and children are allowed to run about naked.⁹¹

Table 61. Weekly Wages in the United Kingdom, 1860

Ireland	6s. 5d.
Scotland	11s. 6d.
Wales	12s. 5d.
London and Home Counties	11s. 9d.
Yorkshire	14s. 3d.
South-West England	10s. 10d.

Source: J.R. Bellerby et. al., *Agriculture and Industry: Relative Income*. London, Macmillan & Co., Ltd., 1956, p. 234.

It is true that there were exceptions in the consuls' harsh judgement of the island's working classes. Consul Cowper himself recanted from his 1862 condemnations seven years later opting for a more benign description of Puerto Rican labour as being of "as good a quality as can reasonably be expected in the tropics".⁹² And while Bidwell might not have approved of the quality of local housewifery he demonstrated attempts at impartiality by magnanimously declaring that

⁹¹Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, pp. 1641-1642.

⁹²Cowper's report on Puerto Rico for 1869. P.P. 1869-70, p. 376.

the Puerto Rico labourers, when pushed, can do a fair day's work --a good day's work when the climate is taken into consideration; but there is an Indian proverb which many of them have not forgotten, "Why stand when you can sit down, and why sit down when you can lie down? for the day is meant for rest and the night for sleep".⁹³

While this "Indian proverb" appears to have long since disappeared from the island's folklore, variations of it seem to have prevailed in Bidwell's days all over the Spanish speaking world eliciting similar reactions of disapproval from British commentators. In 1880, for example, Whympers agreed with other observers that in Ecuador the people had "an inveterate habit of procrastination, and use of the word *mañana*"; all in all this made them an untrustworthy lot.⁹⁴

The consul's perception of the labouring classes as being lazy and overpaid may have had negative consequences in the minds of prospective English immigrants and investors, but ironically, it probably encouraged trade. "Generous" wages meant a higher purchasing power which was ultimately the main concern of the British consuls. It would of course be extremely naive to take their words at face value and assert that the conditions of the general population in nineteenth century Puerto Rico were "prosperous". Statistics on the prevalence of anaemia, already mentioned, point to a very different reality. Besides, even if wages were nominally substantial, it must be borne in mind that the scarcity of currency often meant payment in vouchers instead of cash for the workers, a situation which obliged them to purchase from their employers' stores and kept them

⁹³Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1641.

⁹⁴E. Whympers, *Travels amongst the Great Andes of the Equator*. No place, no publisher, 1892, p. 178; quoted from Kiernan, *op. cit.*, p. 294.

linked to it through a vicious circle of debt and necessity, and there is no doubt that currency devaluation after the 1880's pushed down the wage earners' purchasing power as the outcry of the popular press and the urban riots of the 90's reveal.⁹⁵ Nevertheless, the general population was able to acquire, at least on credit, a greater range of consumer goods as the century progressed, and if one is to measure prosperity with this gauge, as the consuls almost certainly did, then it is apt to describe the population as one which was becoming increasingly prosperous. Prosperity is also an ultimately subjective condition, and it might be fair to say that Puerto Rico, when compared to the rest of Latin America, did not fare badly as we might gather from Platt's description:

Whatever the local circumstances in Latin America --the ravages of civil war, depopulation, the flight of capital, the abandonment and flooding of the mines -- further progress in international trade was limited above all by the nature of the consumer and of his needs [...] John Luccock, who arrived at Rio Grande do Sul early in 1809 with a mixed cargo of goods, found it impossible to dispose of them. [...] O'Gorman complained that for a place like Acapulco in the 20's, £10,000 of British goods would stock the market for three years. The population of the hinterland of Maracaibo in Venezuela was miserably poor. [...] Even in the comparative luxury of Lima, consumption of foreign textiles among the rich lagged well behind the generous habits of Europe."⁹⁶

When compared to the rest of the West Indies, the

⁹⁵See, e.g., García, "Las primeras actividades...", *passim.*, and Silvia Alvarez Curbelo, "El motín de los faroles y otras luminosas protestas: disturbios populares en Puerto Rico, 1894", *Historia y Sociedad*, Vol. II, 1989, pp. 120-146.

⁹⁶Platt, *op. cit.*, pp. 7-8.

island, according to Cowper, displayed neither the extremes of luxury prevalent in Havana, nor the wretched poverty of Jamaica, Santo Domingo or Haiti.⁹⁷ Puerto Rico had, after all, taken part in the sugar-boom years although at a later date than Cuba, and was later to benefit from the large rise in the world price of coffee. Although neither of these spurts were enough to create in the island a state of uninterrupted bonanza, nor of course did they conduce to the development of manufacturing, they did push up the average purchasing power. The experience also resulted in an indirect increase in the average household "necessities" as the population was made aware of new consumer items it had, until then, done perfectly well without. Statistics on British imports, which increased steadily throughout the century, show that this relative prosperity translated into an abundant pool of good customers. For not only was the general population increasingly able to purchase British imports, but it was also an unusually large population for the time, both numerically and in proportion to the size of the island.

"There are 2,965 commercial and trading establishments of all sorts in the island", reported Cowper in 1863, "and I am informed that the consumption of manufactured goods is greater here than in any other country in proportion to the amount of the population."⁹⁸ Shortly before Lindegren's arrival in 1844, Puerto Rico was estimated to have had 400,000 inhabitants (in comparison, Cuba, 12.5 times the size of Puerto Rico had just over the double that number). Together, the Puerto Ricans were consuming 4.3 million pesos worth of imports (10.75 pesos per capita, per annum), of which 53,361 pesos came officially from Britain (13 cents per capita

⁹⁷Cowper's report on Puerto Rico for 1866. P.P. 1867, p. 564.

⁹⁸Cowper's report on Puerto Rico for 1862. P.P. July 1862-63.

per annum).⁹⁹ According to Consul Stevens, the 1878 census assessed the island's population at 729,445. The total value of imports, however, had risen to around 14.8 million pesos (20.28 pesos per capita per annum). So while the population had almost doubled, the value of imports had nearly tripled. British imports that year stood at nearly 3.5 million pesos or almost 5 pesos per head.¹⁰⁰ In view of these facts, Consul Cowper's statement cannot be dismissed as mere exaggeration.

When compared to the small and well dispersed populations of the Andes, the Amazon or the Pampas; when compared to the extremes of poverty that reigned in Haiti, Santo Domingo or Ecuador; Puerto Rico's large, concentrated and relatively prosperous population was indeed attractive to the foreign merchant. Fernando Picó, for example, mentions the routine purchase, on credit, of 93.5 varas (Spanish yards) of a variety of textiles, mostly cotton, made by several members of the Olivo family at their local village store in a span of only 7 weeks in 1867. In some cases the items were specifically referred to as English, although some of the materials classed simply as calicoes and drills could also have been British imports. Bernardo Olivo, the father, was a smallholder with a very large family (eleven children) and although he could be considered to be in a better position than that of the much maligned labourers, his situation was by no means affluent.¹⁰¹

In the 1860's, the value of Britain's exports to Puerto Rico totalled approximately £2.8 million compared to only £1.7 million for the whole of Central America,

⁹⁹Andrés Sánchez Tarniella, *La Economía de Puerto Rico. Etapas en su desarrollo*. Fifth edition (revised and updated), Río Piedras, Ediciones Bayoán, 1976 and *Balanza Mercantil de la Isla de Puerto Rico*, 1843. Statistic on Cuban population from Ely, *op. cit.*, p. 112, footnote no. 290.

¹⁰⁰Stevens' report on Puerto Rico for 1882. P.P. 1884, p. 135 and *Balanza mercantil*, 1878.

¹⁰¹Picó, *Amargo café...*, pp. 144-145.

including Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.¹⁰²

Did Britain hold any interest at all in Puerto Rico during the nineteenth century apart from a commercial one? In the light of the evidence, literary and numerical, the answer appears to be no, that is, quite apart from the period between the late thirties and early fifties in which British anti-slavery sentiment forced its diplomats to regard the island with a suspicious eye. As we have seen, this did not preclude a human and subjective side from surfacing from time to time in the consul's reports but for an even more personal viewpoint of the island's culture and society it is usually best to turn to the vice-consuls. The vice-consuls, as opposed to the consuls, whose stay on the island was usually only transient, were real immigrants, and for the British immigrant, of which there were about 800 in 1878,¹⁰³ as can be easily surmised, the island did hold a deeper, more personal interest. The vice-consuls were chosen by the consul amongst the available British citizens of the relevant districts, or failing that, amongst the merchants who had the strongest commercial links with Britain in their area. They were unpaid, apart from the fees they could collect for their services and their hearts were in their haciendas, their businesses and their districts. It was not unusual for the vice-consul to refer to their areas as "our" city or "our" district and to include themselves amongst the population instead of using the third person.

The vice-consuls were prone to describing the physical aspect of their town of residence with great detail, providing occasional snippets of life in the island which are revealing of the nature of its politics,

¹⁰²Balanzas mercantiles, 1860-1869 and Platt, *op. cit.*, pp. 316-317, Appendix I.

¹⁰³Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1629.

economy and society. In 1874, for example, Mayagüez had four casinos or clubs, the most exclusive one being the Spanish casino, which was also the centre of the Conservative party. The centre for the Liberal party in which Peninsular birth would not have been an admission requirement, was according to Vice-consul Gumbes, "less exclusive in its class". There were also two clubs or centres for the "coloured population" both of which showed "a desire for civilization".¹⁰⁴ Ponce was described with much affection by Vice-consul Gibbons in 1876: its spacious plaza, "well-planted with trees" in which the military band played three times a week; its large town hall and handsome theatre; the "La Marina" hotel, where one could get a "fair accommodation at a moderate price"; and its church the interior of which was "well decorated and kept in good order" even if the exterior "built in the half Moorish style peculiar to Spanish churches here, and being coloured yellow and white, is not attractive to the eye." There were also many cafes with billiard tables in the town, all of which were "well-managed and orderly." Indeed, as there was no "exchange or mart where merchants could meet to discuss their affairs" much business was transacted at individual offices or at these cafes.¹⁰⁵

It would seem that the British immigrants, once settled had little trouble in adjusting to life in the island, and that their offspring, especially if born after their parents' arrival, would develop a sense of cultural identity, of being part of Creole society. This was the case of young Mr. Henna, a British subject born in Ponce who in 1868 showed his support of the independentist movement by attending a "revolutionary banquet". Shortly after the Lares uprising, Mr. Henna was summoned by Governor-General Sanz, a fact which his

¹⁰⁴Gumbes' report on Mayagüez for 1874. P.P. 1875, p. 807.

¹⁰⁵Gibbons' report on Ponce for 1876. P.P. 1877, pp. 1530-1531.

father, Mr. Henna Senior, considered a great outrage on behalf of the Spanish government towards a British citizen. The vice-consul of Ponce, Daniel Basanta contacted Consul Cowper in San Juan, and locally, if only briefly, the incident appears to have caused a degree of tension quite disproportionate to the gravity of the situation, for Henna Junior was not held captive, but released by the governor with a reprimand.¹⁰⁶

There was, however, an exception to the rule. During the 1870's Puerto Rico experienced a wave of black British immigrants from the neighbouring West Indies, arriving under contracts, usually for one year, to work at the haciendas, especially those on the east coast and in Vieques. They arrived at Puerto Rico aware that wages there were higher than in their homelands and were much welcomed by the hacendados, especially in the period immediately following the abolition of both slavery and the *libreta* due to the stability their contracts represented. Their vulnerable situation, added to the fact that they could not speak Spanish, lent itself to a multitude of abuses on behalf of their employers. Lack of command of the language, translated into an inability to contend unfair demands from the employers, and protests were dealt with severely by the local *guardia civil*. In 1874, for example, an incident in Vieques resulted in 29 immigrant workers arrested and one shot in the back by the Police. Alarmed by the situation, Consul Cowper saw it as his duty to investigate the conditions of these British subjects, keep the Foreign Office well-informed and do whatever was in his hands diplomatically to better their plight.¹⁰⁷ Consul Bidwell, however, was somewhat less sympathetic, referring to them in 1878, not as British subjects, but as "negroes from the British West Indies" who often got

¹⁰⁶See P.R.O., F.O. 72/1221, 1863.

¹⁰⁷Ramos, "The Influence of Mechanization...", pp. 248-252.

into trouble with their employers and the local authorities. "They are not understood here," he states, presumably referring to the language difference, "...and as they are really not required, they would do well to remain at home." He welcomed the measure taken by the government of Antigua, from where most of these emigrants proceeded, warning potential leavers "that Her Majesty's Government cannot be responsible for their protection after they have entered the possessions of a Foreign Power", and advocated for the rest of the British islands to issue similar warnings.¹⁰⁸

The influx of British West Indian labourers seems to have petered out in the early 1880's. Apart from one brief article by Andrés Ramos Mattei¹⁰⁹ there have been no detailed studies on this short-lived cultural exchange so it is not possible to give definite reasons as to why the immigration stopped. It appears that most of these visitors had no intention of settling in Puerto Rico. During their stay, according to Consul Pauli, they would save up to 8 shillings per week, which they would send back to their families and, once their contracts had expired, most of them promptly returned to Antigua, St. Kitts, Nevis or St. Christopher.¹¹⁰ Given their unhappy experiences at the hands of hacendados and the local police, and the indifference that some of their consuls showed towards them, it is not surprising that most of them chose not to stay. Perhaps these circumstances eventually managed to discourage potential emigrants from leaving home but it is even more probable that the

¹⁰⁸Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, p. 1642. Bidwell quotes document dated Colonial Secretary's Office, Antigua, 14 January, 1879.

¹⁰⁹Andrés Ramos Mattei, "La importación de trabajadores contratados para la industria azucarera puertorriqueña: 1860-1880", in Francisco A. Scarano (ed.) *Inmigración y clases sociales en el Puerto Rico del siglo XIX*. Río Piedras, Ediciones Huracán, 1981, *passim*.

¹¹⁰Pauli's report on Puerto Rico for 1874. P.P. 1875, p. 804; and Ramos, "The Influence of Mechanization...", p. 251.

difficulties that the Puerto Rican sugar industry underwent in the mid-80's resulted in a decrease of employment prospects for immigrants. Nevertheless, there were British West Indians who did choose to remain in Puerto Rico. In 1876, Vice-consul Gibbons reports "a considerable number" of them as having settled in the district of Ponce and "earning a good living" as domestic servants and skilled workmen: carpenters, masons, engine drivers, etc.¹¹¹

From the earliest days of the island's settlement by the Spaniards, the population of Puerto Rico had shown an interest in trading with British subjects. Britain had reciprocated but had also repeatedly manifested a political interest in the island, as the expeditions of Drake and Abercomby confirm. During the nineteenth century, however, direct interest by Britain in acquiring the island had ceased and the relations between both countries remained purely commercial.

Economic and political considerations are, of course paramount when analysing the nature of the trade that developed between the two countries during the nineteenth century. But less easily measured elements that can only be described as psychological or cultural, often determined the particular guise that commercial relations would assume.

For the English observer, Puerto Rico presented itself as a bit of a paradox: a land of great potential yet also of great waste; inadequately managed yet strangely peaceful; rich in resources yet desperately in need of currency. As usual, it is the very eloquent Charles Bidwell who describes these feelings best:

¹¹¹Gibbon's report on Ponce for 1876. P.P. 1877, p. 1530.

Puerto Rico affords a remarkable illustration of the fluctuations of wealth. With rare exceptions, the large fortunes in the island have been made by persons who began life without money, and who have attained their present position by industry, energy and providence. The owner of one of the largest properties in whose carriage I was seated, pointed out to me with satisfaction a little shop on the road-side, where you could buy a pound of salt fish or a yard of calico, and said 'That is where my father made his first dollar'. On another occasion, as I was riding in a mountain pass, an old half-witted beggar come (*sic.*) out of a hut to ask for alms; my friend, who gave him a few small coins and a bundle of cigarettes, said to me, as we rode on, 'That old beggar's father left his sons 60,000 dol. (12,000 l.) a year.' The first example I have quoted could be many times repeated, and with regard to the other, it may safely be said that very few people who have brought capital to Puerto Rico have done well with it. It would seem that to make a fortune here one must first learn the value of money --I had almost said the want of it; but probably there are few places in the world where, with the qualities I have mentioned fortunes have been more readily made than in this island.¹¹²

¹¹²Bidwell's report on Puerto Rico for 1878. P.P. 1878-79, pp. 1645-1646.

CONCLUSIONS

Throughout the nineteenth century, Puerto Rico held an active and prosperous trade with Great Britain. In terms of the island's exports to Britain, its peak was achieved between 1846 --the year in which Britain relaxed its duties on foreign sugar-- and the early 1870's when cheaper beet sugar from the European continent effectively displaced cane sugar from most British tables.

During the developmental stages of Puerto Rico's sugar industry and during most of its boom years (1820's to 40's) the island's main customer was the United States, but after 1846, Britain, the world's greatest consumer of sugar, became a customer which effectively vied in importance with the American market, in spite of its obvious disadvantages in terms of distance and consequently costs of freight and insurance. The importance of Britain's custom was further highlighted during the years 1861-65 when an increase in the tariff and disruption in the United States merchant navy as a result of the Civil War, would have meant a serious decline in sales for Puerto Rican producers had they relied entirely on the United States as a customer. Instead, the island's production during those years was, if anything, somewhat above average with a corresponding reflection in the value of its exports.

After 1865, Puerto Rican sales of sugar to Britain decreased in response to the high prices in offer from the increased demand and reduced supply experienced in the United States at the end of the war. Puerto Rico was

never again to count on Britain as an avid customer for its sugars and the island's sugar producing sector came to depend almost entirely on the United States market after that date. But, it was the dependency of a sector of the island's economy which was decreasing in importance as coffee production gradually expanded and its exportation began to bring increasingly larger shares of income into the island. During the 1880's and 90's, it was clear that the greater part of the island's export earnings, by far, were achieved through the sales of its coffee, not of its sugar. Puerto Rican coffee, however, found its main customers, neither in the United States nor in Britain, but rather in Spain, Cuba and continental Europe.

As a supplier of imports for Puerto Rico, Britain was instrumental in providing it with one of its most important staples: rice. A significant number of purchases of cod and jerked beef were also of British origin or transacted through British exporters. The United States and Spain provided the island with flour, although the former eventually managed to secure the monopoly of these imports for itself. The United States also supplied the island with vegetables and various provisions, especially pork and its derivatives, but in this trade it had to compete heavily with Spain and, to a certain extent also with Germany, France and Britain.

Britain undoubtedly held the lead in textiles sales to Puerto Rico (except those of silk) throughout most of the century, finding its only competitor in Spain towards the end of the century. It was also the island's main supplier of metals, machinery and related products, and held a virtual monopoly of coal until the 1890 McKinley Tariff reversed the situation in favour of the United States. Indeed, it is interesting to note that, in Puerto Rico, coal was probably the only product of any great significance which was affected by the aggressive tariff policy developed by the United States in the

1890's which was designed, at least in part, to encourage bilateral terms of trade with the Spanish Antilles, and the main objective of which was Cuba, not Puerto Rico. In Cuba, according to Philip S. Foner, the McKinley Tariff resulted in

a large expansion of Cuban-American commerce and a concomitant expansion of sugar production. Imports in the United States from the island rose from \$53,801,591 in 1890 to \$77,931,671 in 1892 and \$78,766,506 in 1893. American exports to Cuba attained new highs, \$17,953,570 in 1892 and \$24,157,698 in 1893, as compared with \$12,224,888 in 1891.¹

In Puerto Rico, this policy meant, at the most, that the United States' share in the trade of particular products which were dominated by Britain or Spain was able to increase from rather unimpressive proportions to a somewhat more respectable show. This was, for example, the case with machinery: although the purchase of United States equipment increased in the 1890's, Britain retained the lead until 1898.

Apart from coal, the United States managed to retain its supremacy as Puerto Rico's main supplier of petroleum, casks and articles related to cooper; and towards the very end of the century, it also led in the island's imports of fertilisers, turpentine, resin, pitch and tar.

An interesting picture emerges from these facts; one that would appear to discourage the widely held view that by 1898 Puerto Rico, like Cuba, had become an economic satellite of the United States.² Gervasio García neatly summarises this point of view in the following paragraph:

Early in the nineteenth century, Spain

¹Foner, *op. cit.*, p. 296.

²Ramos, "The Influence of Mechanization...", p. 96.

closed its market to Antillian sugars by imposing high tariffs on their importation with an aim to protect the sugar producers of Andalusia and the Canary Islands. By doing this, it threw Cuba and Puerto Rico into the hands of the North American market. The Puerto Rican sugar producers --owners of the most dynamic and prosperous sector [of the economy]-- sold most of their sugars and molasses in the North American market. The island also ended up importing from the United States a great portion of its manufactures and provisions, such as flour, fats and rice.³

The main problem with this idea is not so much that it is incorrect as that it is incomplete. While attempting to explain the generally positive reception which the Puerto Rican public appears to have bestowed upon the United States military regime in 1898, it simplifies to an unacceptable extent the complex phenomenon which was Puerto Rico's trade during the nineteenth century. But it fails to note that, in spite of their many similarities, Puerto Rico and Cuba were not identical twins, and that the fate of one island was not necessarily shared by the other.⁴ In Cuba, the sugar industry was always "the most dynamic and prosperous sector", but this was not the case in Puerto Rico. In the smaller island, King Sugar did reign between the 1820's and the 1870's; after which it fell into serious difficulties and was superseded by coffee. During the approximately 50 years of its reign, Puerto Rico was only heavily dependent on the United States market for about 25 or 30 years which were furthermore not consecutive. Between 1846 and 1865, Britain's participation in the island's sugar trade acted as a safety valve against monopolistic control of the island's economy by a single

³Gervasio L. García, "Puerto Rico en el 98: Comentario sobre el Informe Carroll," in *Historia crítica, historia sin coartadas*. Río Piedras, Ediciones Huracán, 1985, p. 125. (My translation.)

⁴See Bergad, "¿'Dos alas de un mismo pájaro?...'", *passim*.

market. After the 1870's, although *Puerto Rico's* sugar industry came to depend completely on the United States market, *Puerto Rico's* economy did not, as the island, as a whole, was deriving most of its income from coffee instead of sugar. In the light of the facts, assertions such as Andrés Sánchez Tarniella's: "...the United States was the main purchaser [of Puerto Rican exports] during the whole of the second half of the [nineteenth] century", are patently incorrect.⁵

The notion that a great portion of manufactures were imported into the islands from the United States may again be applicable to Cuba (where U.S.-made machinery, for example, appears to have been quite popular from as early as the 1850's) but not to Puerto Rico. Puerto Rico consistently imported most of its manufactures from Britain. Its import trade with the United States was mainly one of provisions, and even rice, it would seem, was received in greater quantities from British India than from the United States.

I must stress that it is not my intention to deny that the United States exerted any influence at all on Puerto Rico during the nineteenth century, or even that such an influence was minimal. Such a supposition would clearly be absurd. My qualms concern the weight that has so far been ascribed to the island's relations with its large American neighbour during the period under review. Puerto Rico's trade during the nineteenth century was a complex, multilateral affair in which the United States was one important participant along with Spain and Britain. The importance of any of the three trading partners as suppliers or customers for Puerto Rico tended to shift throughout the century, but the participation of all three of them was constant. Even then, the island's commercial exchange was not limited to three customers. It held a less impressive, but nevertheless active trade

⁵Sánchez, *op. cit.*, p. 73.

with Cuba and the rest of the Caribbean, and also with France, Italy and the German Empire.

The United States, therefore, did not control Puerto Rico's trade nor its economy before 1898 to the degree that seems to have occurred in Cuba. The argument based on such a supposition which attempts to explain the United States' invasion of Puerto Rico as the natural progression of an economic reality would therefore appear to be flawed. To find a suitable answer to the favourable reception of North American troops in Puerto Rico, for example, it would be necessary to determine which part of the population was doing the cheering: was it the coastal population which still relied heavily on the remnants of the island's sugar industry for a living, or was it the inhabitants of the coffee-growing mountainous regions? How vocal were the exponents of pro-United States ideals in the local press, for example, when compared with that section of the population which was not quite so pleased with the events? Were they mostly descendants of families who had made their wealth in sugar? Answers to some of these questions are already beginning to come to light in recent research into the island's social history with the result that a more accurate, albeit more complex picture of Puerto Rico's society during the latter part of the nineteenth century is beginning to emerge.⁶

But if Puerto Rico's trade with Britain was important for Puerto Rico, how important was this trade for Britain? If we are to follow D.C.M. Platt's impressions on the subject, we would easily conclude that it was not at all important. Yet this contrasts with his own brief assertion that "Britain lost two of her best markets to the United States when Cuba and *Puerto Rico* fell to American control in 1898", or with W.H. Zimmermann's rueful comment that the loss of *Puerto Rico*, together

⁶See, e.g., Cubano, "Paz pública y propiedad territorial...", *passim*.

with the adoption of a United States tariff preference in Cuba in 1898 was a major loss for the Lancashire textile trade with Latin America.⁷ The second quote is of particular interest as Mr. Zimmern, writing in 1944, had worked as an exporter of English textiles to Latin America and was therefore speaking from first-hand knowledge.

It is worth commenting that Platt, in his book *Latin America and British Trade, 1806-1914*, is not much harsher in his assessment of Puerto Rico's lack of importance as a commercial partner for Britain, than he is with the rest of Latin America. Indeed, in spite of its title, Platt would appear to have set out to prove in his book just how unimportant Latin America was to Britain as a commercial partner during the nineteenth century and particularly, how British trade with the whole region paled into insignificance when compared with its dealings within the Empire, particularly in the white Dominions (Canada, Australia, New Zealand and South Africa). In his estimation, British trade with Latin America was hampered by a lengthy list of obstacles:

1. Slow returns (it could take the merchant or manufacturer in Britain up to 19 months before he saw a return on investment).
2. High insurance costs.
3. Transport by sea, although not too costly, was still risky.
4. Land transport in Latin America was slow, risky and expensive.
5. Insecurity of life and property, and political instability.
6. Religious and cultural differences.
7. Instability of the market (relatively low level of demand).

⁷Platt, *op. cit.*, p.179; and Zimmern, *op. cit.*, p. 57. (My emphases.)

8. Competition from other British and European houses which tended to lower the prices.
9. Smuggling was still rife, with much bribery involved (a fact which was also conducive to lower prices) during the first decades of independence in Latin America.⁸

It is interesting to note how most of these points either do not apply, or apply to a lesser degree to Puerto Rico. The first three obstacles were greatly reduced by Puerto Rico's location. Puerto Rico is in fact the Latin American country closest in distance to the British Isles. Its strategic geographical placement had indeed aroused annexationist intentions from Britain who, during the previous centuries, had eyed the island as a vantage point from which it could conduct its commerce in the area. Puerto Rico was not only easily accessible, but had been graced by nature with excellent harbours, which were enhanced by adequate port and communications facilities which improved as the century wore on. Furthermore, difficulties concerning shipping would have affected British imports much less in Puerto Rico than in the rest of Latin America as a large proportion of this trade was conducted in Spanish vessels in accordance with the preference afforded in the island to the Spanish merchant marine.

The difficulties and expenses surrounding land transportation in the island were insignificant when compared to those experienced in the vast South American continent, in Mexico, and even in Cuba. The island was small and had plenty of available ports open to foreign imports or easily accessible by coastal shipping, from which the interior could be supplied with relative ease in spite of the general state of disrepair of its roads.

Puerto Rico was furthermore one of the most peaceful areas in Latin America during the nineteenth century suffering no internal or external armed conflicts of any

⁸Platt, *op. cit.*, pp. 55-61.

grave significance until 1898. Although disaffection with political institutions was by no means unknown, compared to most of Latin America, it was safe and politically stable and the frequent testimonies of the British consuls confirm this as a fact.

There is no doubt that in their religion and their culture, the Puerto Ricans were very different to their British commercial partners. Nevertheless, society there seems to have evinced a high level of tolerance towards strangers, a fact which is corroborated by the acceptance of British immigrants in spite of official restrictions and their general integration into the community.

Puerto Rico's market for British imports grew constantly until the 1890's. A relatively large population confined to a reduced space, reaping the benefits of an export economy centred on two profitable export crops, first sugar and then coffee, and devoid of a manufacturing sector, could hardly have been a better market for British goods during the greater part of the nineteenth century. Britain did experience severe competition from Spain (in textiles) and the United States (in coal) towards the end of the century, but apart from those two very late exceptions, Puerto Rico was an avid market for just about anything that the British had to sell. Although there appears to have been a significant amount of smuggling taking place in the island, this was most acute with respect to regional trade with the Caribbean. This inevitably affected British imports as a large proportion of this exchange consisted of European re-exports from Saint Thomas during the first half of the century, but as the influence which the Danish island exerted on Puerto Rico decreased, the effects of illegal trade on the general price level of British merchandise must have consequently grown less. It is significant that the last British consul to comment on the island's extensive contraband trade was Hunt, in 1857, after which date direct trade with Europe, as

opposed to via Saint Thomas, became the norm and not the exception in Puerto Rico.

After considering these points it becomes clear that Puerto Rico did not fit into the generally negative patterns which Platt has imputed on Latin America as a whole in terms of its commercial relations with Great Britain. As Platt not only fails to make this distinction, but pays hardly any attention at all to Puerto Rico's role in British trade with Latin America, one is left with the general impression that Puerto Rico must have had very little to offer as a trading partner for Britain. But such a notion is not supported by customs records or consular reports. Quite the contrary, and perhaps quite surprisingly, the picture which emerges is one of an enthusiastic exchange.

Indeed, in the light of the relations --or more accurately: in the light of the lack of relations-- commercial, cultural or otherwise, which exist today between Puerto Rico and Great Britain, it is easy to see why the subject of their mutual trade during the nineteenth century has so far elicited such indifference or confusion. Yet, understandable and excusable as they may be, it can only be hoped that these misconceptions will not always prove impossible to transcend.

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1087	1864	General (Includes Ponce)
1105	1865	General (Includes Ponce & Naguabo)
1127	1866	General
1153	1867	General
1193	1868	General
1221	1869	General
1249	1870	General
1284	1871	General
1323	1872	General
1354	1873	General
1381	1874	General
1422	1875	General

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1478	1877	General
1483	1877	General
1511	1878	General
1512	1878	General & Commercial
1554	Jan-Dec 1879	General
1578	Jan-Dec 1880	General
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1823	1888	General
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