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**INTERESTS AND IDEAS OF COMMERCIAL POLICY IN MÉXICO, 1868 – 1872**

Graciela Márquez

DOCUMENTO DE TRABAJO

Núm. VI - 2000

## **Interests and ideas of commercial policy in México, 1868-1872\***

**Graciela Márquez**

The tariff law of January 1<sup>st</sup>, 1872 culminated a long and intense process of reform. The debate around the tariff issue reflected its importance as a central instrument in commercial policy and the heavy weight of foreign taxes in the treasury. In addition, the tariff reform attracted attention because import duties affected numerous interests, with conflicting goals, principles, and influence. Furthermore, the realignment of political and economic forces that prevailed during the Restored Republic set forward complex negotiations that often involved differing projects of national development, well beyond the realm of tariff policy. The conciliation of such a variety of interests proved to be an enormous task that required the consultation of officials, congressmen, bureaucrats, businessmen, industrialists, and foreign representatives, both at an official level and through informal negotiation channels.

This chapter examines the process of tariff negotiation that led to the promulgation of the 1872 Trade Ordinance. Section 1 analyses the initial efforts to reform the tariff through the works of the First Tariff Revising Commission in 1868. It also discusses some of the petitions and

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\* This paper closely follows chapter 1 of my dissertation "The Political Economy of Mexican Protectionism, 1872-1910" to be completed in the summer of 2000.

opinions of foreign diplomats, merchants, and customs officials. Section 2 evaluates the works of the Second Tariff Revising Commission and the struggle of the Ministry of the Treasury to obtain authorization for issuing a new tariff. Section 3 deals with the deliberations and negotiations that took place in Congress during the discussion of the tariff question in 1869 and 1870. Finally, section 4 focuses on the conclusion of the reform in January 1872.

### **1. The First Tariff Revising Commission**

Formal negotiations leading to the reform of the tariff began in January 1868. Matías Romero, minister of the Treasury in the Juárez administration, took the first steps to reform the custom law, based upon a bill dated from November 19, 1861, in which Congress had authorized the reform of the 1856 tariff schedule.<sup>1</sup> Since they have been modified on several occasions, customs procedures had become very complicated, creating numerous hindrances for importers and causing losses to the Federal government. The President of the Republic, through Romero, summoned a commission to review and propose pertinent changes to the

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<sup>1</sup> For the text of the initiative see Mexico, Congress, "Decreto que faculta al gobierno para que forme un nuevo arancel de aduanas marítimas y fronterizas" in Manuel Dublán y José Lozano, *Legislación completa de las disposiciones legislativas expedidas desde la Independencia de la República* (México, 1876-1904), vol. IX, 1856, p. 325. The reform had to be postponed because of the political turmoil and the struggle that eventually led to the French intervention.

1856 tariff following two premises. The first was that revenue from the new import duties be less than under the old legislation. The second required new administrative rules for custom-houses that would make merchants' activities easier and simpler.<sup>2</sup>

The First Tariff Revising Commission consisted of Congressmen Ramón Guzmán and Jesús Castañeda, Treasury official Sebastián Aparicio Cárdenas, and brokers Julio Whink and Miguel Gutiérrez.<sup>3</sup> Following Romero's instructions, the agenda of the commission included five items: the abolition of prohibitions; the reduction of all taxes levied on imports into a single rate; the evaluation of administrative trials that compensated customs employees in cases of fraud; the homogenization of the system of specific rates and appraisal rates;<sup>4</sup> and the establishment of bonded ports along the Pacific Coast.<sup>5</sup> Beyond this agenda, however, the goal was to reform the customs law without causing a disruption in trade or revenue collection. In this sense, the commissioners were aware that their mission involved more than simply changing tariff rates and administrative procedures; they intended to "conciliate public interests

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<sup>2</sup> Matías Romero to Ramón G. Guzmán, México City, 24 January 1868, AGN/HP, 1<sup>st</sup> sec., 1868-1869, doc. 1, f. 1.

<sup>3</sup> Ibid., fs. 2-3.

<sup>4</sup> Most of the rates in the 1856 tariff were specific, that is, a fixed amount per unit. However, some products had appraisal (*aforo*) rates, which consisted of a percentage of the price provided by local merchants. Instead of domestic prices, *ad valorem* rates used invoice prices.

<sup>5</sup> Jesús Castañeda to Matías Romero, México City, 28 January 1868, AGN/HP/1<sup>st</sup> sec., 1868-1869, doc. 2, f. 1.



with those of particulars.”<sup>6</sup> Besides Congress and the government, various sectors from all over the country voiced their points of view through suggestions and proposals. Indeed, the business and merchant community expressed its opinion on the tariff issue in the form of numerous recommendations regarding tariff changes for certain goods, reports on the ways to improve trade practices and reduce contraband, and complete tariff schedule proposals. Congress and the ministry of the Treasury collected all these documents, putting together a tariff reform file that became available to the Commission in charge of drafting a proposal

Among these documents were the opinions of a US diplomat regarding the need to foster the importation of US products. On February 1868, E. L. Plumb, US Chargé d’Affaires in Mexico, argued that the current tariff system in Mexico hurt US trade because tariff rates were based on weight instead of on value.<sup>7</sup> Therefore, goods with a high-volume to a price ratio such as flour, lard, petroleum, barley, corn, soap, nails and onions —goods imported mostly from the United States— paid very high tariffs compared with their prices. Manufactured articles from Europe, in contrast, generally of higher value, paid comparatively lower rates. Plumb estimated that goods from Europe paid duties equivalent to

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<sup>6</sup> Ibid. Commissioner Bárcenas indicated that the reform should “address both the needs of the nation and the interests of the public treasury.” See Sebastián Aparicio Bárcenas, México City, 27 January 1868, AGN/HP/1<sup>st</sup> sec., 1868-1869, doc. 3, f. 1.

<sup>7</sup> E.L. Plumb to the Finance Minister, Veracruz, 10 February 1868, AGN/HP/1<sup>st</sup> sec.,

less than one percent of their total value, whereas goods from the United States paid between ten and forty percent of their value.<sup>8</sup> The U.S. diplomat also complained of additional taxes levied on imports. In particular, he pointed out that the tonnage tax—which exacted half a *real* per pound—posed a great disadvantage for bulky products. Therefore, Plumb recommended the adoption of *ad valorem* tariff rates that would not only increase revenue but also create a more equitable system for the taxation of imports.<sup>9</sup>

Another component of the tariff reform file was a proposal suggesting certain guidelines for tariff changes formulated by Monterrey's trade community.<sup>10</sup> Wishing to participate in the process of tariff reform through direct channels, businessmen from this northern city sent the Federal Congress an evaluation of current tariff rates in the hopes that their ideas would be taken into account in the ongoing process. In

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1868-1869, doc. 9, fs. 1-2

<sup>8</sup> Plumb estimated *ad valorem* tariff rates for flour (38%), soap (24.6%), potatoes (30%), petroleum (39%), and lard (40%). Additional taxes increased duties to 81% for flour, 69.7% for soap, 86% for potatoes, 88% for petroleum, and 76.9% for lard. *Ibid.*, appendix, fs. 5-7.

<sup>9</sup> "If this Government wishes to derive a great or greater revenue than they presently obtain—why not fix *ad valorem* the duties which would render the duty more equitable on all goods and particularly higher on goods which cannot bear the present ones." *Ibid.*, f. 4.

<sup>10</sup> Merchants represented in this group were Madero y Cía., Hernández Hermanos y Cía., V. Rivero, D.D. Brainard y Cía., Degetau y Dose, J. Ramos Hermanos, Rodolfo Dresel, Barreda y García, Martínez Cárdenas y Hermanos, Teófilo Dávalos, Zambrano Hermano y Cía., R. Lafón, Brach Shonfeld y Cía., Weber y Ulrich, Ayala y Martínez, Marín Pérez, Fernando de la Garza, Mariano de la Garza. See Madero y Cía., et. al., *Exposición que el Comercio Nacional y Extranjero (sic) de Monterrey dirige a la Augusta Cámara de la Nación, sobre Reforma del Arancel de Aduanas Marítimas y Fronterizas* (Monterrey, México, Tipografía de Mier, 1868), p. 8.

particular, Monterrey merchants stressed that textile tariffs were biased against low-quality textiles, whose rates were very similar to those of high-quality textiles. The lack of tariff differentiation in these products created an enormous disparity, apparent in the *ad valorem* rates shown in the following table.

**Table 1.1**  
Tariffs and Taxes on Foreign Textiles

Description	Tariff (pesos)	Other Taxes (70%)	Total Taxes (pesos)	Price (pesos)	Total taxes as percentage of price
Cotton muslin	1.230	.860	2.09	2.25 <sup>(1)</sup>	92.00
Cotton indiana	1.110	.770	1.88		
Woolen muslin	1.280	.890	2.17	8.80	24.00
Cotton handkerchiefs	0.480	.340	0.82	0.75	109.33
Linen handkerchiefs	0.500	.350	0.85	9.00 <sup>(2)</sup>	10.58
Cotton scarves	1.325	.925	2.25	3 reales	
Woolen scarves	4.800	3.300	8.10	24 reales	

(1) The document indicates a price range from 2 to 2.25 pesos.

(2) The document indicates a price range from 2.25 to 9 pesos.

Source: See text.

A similar case was made tools made out of different materials. For instance, wooden nails and steel nails paid the same rate, four cents per pound, although their price differed greatly. Consequently, merchants from Monterrey demanded that unjustified differences be corrected in the new tariff schedule resulting from the reform. The solution they proposed was to replace specific rates by *ad valorem* rates, thus eliminating the disparities caused by differences in the price to import duty ratio.

In addition to *ad valorem* rates, they recommended an overall reduction of tariff rates for mass consumption goods and an increase for luxury goods. Likewise, moderate tariffs should prevail in the case of products of mass consumption that were not produced in the country. Other suggestions included the consolidation of all taxes into a single rate; tax exemption for exports, with the exception of coined silver; and the simplification of custom procedure.<sup>11</sup> In sum, these recommendations presented general guidelines for the reform, coupled with specific concerns of the trade community, chiefly the level of *ad valorem* tariff rates. It is important to note that in its proposal, Monterrey's merchant community focused on the effects of prices on tariff rates without mentioning any fiscal or protection purposes.

Since the tariff reform aimed not only at tariff rate changes but also at a revision and evaluation of all kinds of customs procedures, the free zone of Tamaulipas and tariff discounts emerged as a crucial issue of the reform agenda. The port of Matamoros had enjoyed the privilege of introducing foreign merchandise free of duty since 1858.<sup>12</sup> Officials and merchants from other regions had blamed the free zone for the increase in contraband and complained about the franchise conferred on this port.

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<sup>11</sup> Ibid., pp. 7-8.

<sup>12</sup> See Walter Bernecker, *Contrabando. Ilegalidad y corrupción en el México del siglo XX* (México, Universidad Iberoamericana, 1994), pp. 30-35; Patricia E. Fernández de Castro Martínez, *La Zona Libre Mexicana. Comercio e integración nacional en la frontera*

Following a request by Matías Romero, the customs administrator at Matamoros, Alonso Aspe, submitted a report defending the free zone.<sup>13</sup> Contrary to the belief that the free zone promoted contraband, Aspe pointed out, there was no reason to suspect clandestine imports within the zone because the franchise eliminate the main cause of smuggling, that is, the unlawful collusion between merchants and fiscal employees.<sup>14</sup> Having seen the expansion of trade flows and the economic revival of Matamoros, Aspe was a strong advocate of keeping the free zone on the grounds that contraband was not a problem generated by the privilege of duty exemptions enjoyed by Matamoros. He noted, however, the need to transform customs-houses at Reynosa, Camargo, Mier, Guerrero, and Laredo into offices under the command of the Matamoros' custom house, increasing the commercial activity at the Mexican port and avoiding trade diversion as well as establishing a better control of contraband along the border.<sup>15</sup>

Other forms of special privilege were the discounts offered at various customs posts. Dating from February 9, 1865, when Juárez

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*mexico-nortemeicana, 1858-1867*, B.A. Thesis, El Colegio de México.

<sup>13</sup> Alonso Aspe to Matías Romero, Matamoros, 19 December 1867, AGN/HP/1<sup>st</sup> sec., 1868-69, doc. n. 13.

<sup>14</sup> Merchandise introduced through the zone but consumed outside it must pay duties at its destination, according to the certification at the point of entry. Invoice alteration and/or changes in official documentation become more difficult as they required the participation of customs officials at different places. *Ibid.*, f. 2 front.

<sup>15</sup> The reorganization would require, however, the abolition of the 25% tax levied on goods introduced through Matamoros but consumed at border cities. *Ibid.*, fs. 5-7 front.

government established its official residence in Chihuahua, it was created a special privilege allowing a thirty-percent reduction in the duties paid by foreign goods introduced through Paso del Norte. This reduction sought to relieve high transportation costs borne by imports. Defending the *status quo*, the administrator of the customs-house at Paso del Norte contended that a shift in policy would bring about a complete cessation of foreign trade because "charging full duties and closing the customs-house would yield the same effect."<sup>16</sup> Moreover, a group of merchants from Monterrey requested that this reduction be extended to all border points from Bagdad to Paso del Norte.<sup>17</sup> While it was true that the free zone in Tamaulipas had promoted the development of the port of Matamoros, it had hurt commercial houses in all customs posts nearby. Likewise, the reduction in transportation costs expected from the railroad line between Mexico and Veracruz would further reduce opportunities for the

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<sup>16</sup> Jesús Escobar y Armendariz to Matías Romero, Matamoros, 6 April 1868, AGN/HP/1<sup>st</sup> sec., 1868-69, doc. n. 14.

<sup>17</sup> This petition, sent to the Federal Congress, on March 1868, included the following firms: Madero y Cía., Hernández Hermanos y Cía., Brach Shonfeld y Cía., Degchan Dose, Zambrano Hermano y Cía., Y. Rivero, Rodolfo Dresel, Ayala y Martínez, Francisco Albano y Cía., R. Lafon, Guina Hermanos, José María Videgaray, Lorenzo Castro, Gariel y Nuñez, Weber y Ulrich, Teófilo Dávalos, José Palacio, L. Oliver Hermanos, Barreda y García, Domingo Tijerina, Mariano de la Garza, Pragedis García, D.D. Brainard y Cía., Juan M. Serna Portillo, Zertuche Hermanos, Amador García, José María Treviño, Miguel María Gómez, Lara y Zambrano, Juan García, Estanislao Gutiérrez, Modesto Martínez, Prisciliano Zambrano, J. Reyna Cía, Librado González, H. Rodríguez, Lorenzo Rentería, Bruno Cantú, Francisco Garza Fonseca, Carlos Garza, Luz Guerra, Blas María Pérez, J. Ramos Hermanos, S. Farrie Cía. Suc., Luis G. Cordreau, Jesús S. de los Santos, Mariano García, Calderón Hermanos, Jesús María González, Francisco González, Martínez Cárdenas Hermanos, see AGN/HP/1<sup>st</sup> sec., 1868-69. Note that this group is larger than the number of firms appearing in the

commercial community in Monterrey. In this sense, merchants at Monterrey hoped that a thirty-percent reduction in duties would compensate for the advantages already enjoyed by Matamoros and Veracruz, thus allowing the growth of trade along the border with the United States. They claimed that if approved, the reduction would not only "impede contraband, increase population, foster agriculture and industry, and create trade for nationals, but it would also transform the weakness of the border into strength and power, achieving the establishment of a formidable barrier against contraband for the Republic's security at no cost."<sup>18</sup>

The five members of the First Tariff Revising Commission extended its work until November 1868, when the minister of the Treasury ordered them to conclude their deliberations and submit the corresponding report.<sup>19</sup> Having spent almost a year working on the reform, the Commission sent its report to the ministry of the Treasury on November 11 1868.<sup>20</sup> The commissioners began by acknowledging that trade expansion and a new institutional setting created the need for modifications in the existing tariff law. Following Romero's instructions,

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document recommending tariff changes and *ad valorem rates*, see note n. 8.

<sup>18</sup> Jesús Escobar y Armendariz to Matías Romero, p. 8.

<sup>19</sup> Romero to Congress, Mexico City, 7 November 1868; Romero to Tariff Revising Commission, Mexico City, 7 November 1868, AGN/HP/1<sup>st</sup> sec., 1868-1869, doc. 39.

<sup>20</sup> Tariff Revising Commission, "Proyecto de Arancel Marítimo y Fronterizo de la República," Mexico City, 11 November 1868, AGN/HP/1<sup>st</sup> sec., 1868-1869, doc. 19.

they presented a custom law proposal containing eighty-six articles in twenty chapters, where tariff rates, and custom procedures were defined. This project came to be known as the Guzmán-Castañeda project, for the two congressmen who participated in its elaboration.

Regarding tariff rates, the commissioners proposed a ten-percent reduction on average for textiles, groceries, and ironmongery, and a ten-percent increase on average for haberdashery. Rates for all goods, including those traditionally taxed according appraisal rates, adopted the specific form, that is, a fixed amount per unit. The commissioners contended that specific rates were an effective mechanism to avoid fraud, thus rejecting those opinions that advocated the *ad valorem* rate system.<sup>21</sup>

Altogether, they claimed that the proposed modifications would yield a ten-percent increase in revenue, an outcome that could be achieved without radically altering the liberal traits of the tariff such as lowering rates for raw materials and intermediate goods for industry, agriculture and mining.<sup>22</sup>

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<sup>21</sup> As I have discussed, *ad valorem* rates were suggested by, among others, E.L. Plumb and merchants from Monterrey. Instead, the commissioners argued that experience had proven *ad valorem* rates inadequate: "the system of charges based on invoice values for medicinal drugs, chemical products, and other articles caused horrendous abuses." *Ibid.*, f. 2.

<sup>22</sup> José Antonio Gamboa, customs administrator at Veracruz, questioned the actual impact of the tariff changes on total revenue. Contrasting current and proposed tariff rates, he concluded that revenue would decrease, violating one of the initial conditions imposed by the minister of the Treasury.



**Table 1.2**  
**Guzmán-Castañeda Tariff Project**  
(number of categories per group)

Groups	Number of Categories
Cotton, hemp, linen, wool, silk, and their manufactures	139
Species, cereals, food, oils, wines and liquors	66
Glass manufactures, jewelry, perfumery	140
Leather, gum, wood, and their manufactures, vehicles, building material, furniture, and office supplies	47
Medicinal drugs	188
Sundry articles	88
Total	668
Duty-free	38

Source: See text.

Along with rate changes, the Guzmán-Castañeda project included modifications of systems of valuation, regulations of imports and exports, verification, and customs-house procedures, as well as the scope and applicability of the tariff law. For instance, it proposed to adopt the metric system, consolidate all taxes into a single rate, homogenize the schedule, extend the number of categories, and simplify some of the administrative procedures. The Commission also recommended the abolition of prohibitions, an “equitable, necessary, and economical measure”, thus bringing tariff law into compliance with the Constitution.<sup>23</sup> By eliminating export taxes —excepting duties on gold and silver given their importance

<sup>23</sup> Tariff Revising Commission, “Proyecto de Arancel,” f. 3.

for the treasury— the Tariff Revising Commission intended to put an end to the heavy and costly heritage from the colonial era.<sup>24</sup>

When Secretary Romero asked Commissioners to include the issue of administrative trials as part of the custom law reform, he was putting them in a difficult position. Reforming the current practice implied not only entering a sensitive area, because of the strong interests within the very structure of the Ministry of the Treasury, but also weakening a chief instrument of the strategy against contraband. Ordinarily, customs employees received a percentage of the fines imposed for certain administrative faults and for smuggling, but this system had produced incentives to exaggerate merchants' wrongdoing. Seeking to reduce abuses at custom houses, the commissioners opted to eliminate the practice of apportioning fines among custom-house employees. Chapter XVII of the tariff project drafted by the First Tariff Examining Commission instructed that informers and captors, not being custom-house officials would received up to twenty-five percent of fines; the remaining quantities from seizures would be collected as part of customs revenue. Commissioners also recommended to increase custom-house employees' salaries in order to maintain their performance.<sup>25</sup>

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<sup>24</sup> Ibid., f. 3, front.

<sup>25</sup> Ibid., f. 4.

The recommendations to abolish the free trade zone in the northern state of Tamaulipas and the tariff discounts adopted at various customs-houses were also controversial. Under the reasoning that special privileges created unfair and pernicious conditions for trade, the First Tariff Revising Commission found validating exemptions outside the federal law inadmissible. Neither the free zone nor tariff discounts were favored by the Commission's recommendations seeking to apply the tariff law above regional or local interest.

Yet, there was a small chance that some privileges would subsist under the wing of a different legal status. Considering the free zone of Tamaulipas an exceptional case, the commissioners suggested that the Executive study the possibility of turning Matamoros into a bonded port as a compensation for depriving it of its previous status. Interestingly, this recommendation came along with an explicit refusal to establish bonded ports on the Pacific Coast. Indeed, following Romero's mandate to discuss this issue, the commission reported that the majority of its members opposed the creation of deposit ports.<sup>26</sup>

If the outcome of the First Tariff Revising Commission is compared with the broad initial instructions received from the ministry of the Treasury, it becomes apparent that the tariff project presented in November 1868 addressed most of the issues proposed by Romero. The

commissioners abolished prohibitions, a device deeply ingrained in tariff policy since the country's independence. According to this recommendation, any merchant could import any type of good in any quantity as long as he pay the corresponding duty. Second, the proposed rates incorporated all additional taxes and contributions imposed on imports, achieving the goal of transforming the numerous charges on imports into one single tariff rate. Third, the commissioners preferred specific rates over ad valorem rates, considering the system of specific rates a better instrument to curb smuggling. Fourth, the reformed provision on administrative trials ruled that fines charged on illicit trade were part of the fiscal revenue, thus eliminating the employees' share of fines. Fifth, by rejecting the establishment of bonded ports, the Commission opposed a measure that Romero seemed to prefer, although he was reluctant to put it into practice because of the negative impact on revenue.<sup>27</sup>

Instead of immediately sending the tariff project to Congress upon receiving it on November 11, Romero chose first to examine it. Once the

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<sup>26</sup> Ibid., f. 3-4.

<sup>27</sup> Several times Romero argued in favor of bonded ports because in the long term they would bring increases in trade flows through the re-exportation of goods. Yet, in the short term, bonded ports might delay cash payments on import duties, thus affecting a significant part of public revenue. In this sense, the minister of the Treasury recommended postponing the introduction of bonded ports on Mexican coasts until total revenue be less dependent of foreign taxes receipts. Mexico, Secretaría de Hacienda y Crédito Público, *Memoria de Hacienda, 1870-1871* (Mexico, Imprenta del Gobierno en Palacio, 1870), pp. 986-989.

Secretary to the Treasury, had reviewed and approved the project, Congress would receive a copy.<sup>28</sup> There are two possible explanations for this behavior. On the one hand, the reforms proposed by the Tariff Commission might not have met the expectations of the Secretary or the Treasury in spite of the fact that the tariff project addressed all the issues requested by Romero. Furthermore, deferring the date the tariff project was to be submitted to Congress was probably a maneuver employed by Romero to enhance the Executive's influence on the reform and to open the debate on reform to sectors that had not yet voiced their opinions. On the other hand, Congress' ordinary session period would expire on December 15, and Romero feared that Congress would prematurely pass the reform bill, leaving gaps and inaccuracies that required a more detailed discussion.<sup>29</sup> Furthermore, after previous analysis of the tariff project the Secretary of the Treasury would have more authority to respond to any criticisms Congress might have regarding his ideas.

To achieve his purposes, Romero not only held onto the Guzmán-Castañeda project but also asked Congress to authorize the Executive to issue a new tariff. The initiative of December 11 imposed four conditions to be met by the tariff reform: consolidation of all taxes into a single rate,

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<sup>28</sup> Matías Romero to Congress, Mexico City, 17 November 1868, AGN/HP/1<sup>st</sup> sec., 1868-1869, doc. 40.

<sup>29</sup> Matías Romero to Congress "Iniciativa", 11 December 1868, Mexico City, AGN/HP/1<sup>st</sup> sec., 1868-1869, doc. 41, f. 1 front.

abolition of prohibitions, conservation of revenue levels, and adoption of the metric system. Two of these conditions were already part of the First Tariff Commission's agenda, while the others had been suggested in the petitions and reports in the tariff reform file. The actual change did not lie in modifications to the bases of the reform but rather in the Executive's freedom to decide crucial aspects of the new tariff. The little time left in the ordinary period of sessions prevented Congress from reaching a verdict before December 15, when it adjourned. While Romero had been able to buy some time for shaping the final outcome of the tariff reform, he failed to secure Congress's authorization to issue the new customs law.

Meanwhile, Romero had sought the opinion of José Antonio Gamboa, administrator of the customs-house at Veracruz, asking him to review the tariff project elaborated by the First Tariff Revising Commission. Assisted by customs-house officials, Gamboa wrote a lengthy report evaluating the proposed reforms and providing modifications based on their experience and interests.<sup>30</sup> Gamboa began his report pointing out that since the 1856 tariff law was the most liberal to

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<sup>30</sup> On November 17, just a few days after receiving the tariff project, Romero ordered Gamboa to review it within the next ten days. The revision took longer than expected, and was not ready until January 1<sup>st</sup>, 1869. See Matías Romero to José Antonio Gamboa, Mexico, 17 November 1868, AGN/HP/1<sup>st</sup> sec., 1868-1869; José Antonio Gamboa "Nota de la Aduana de Veracruz comunicando sus observaciones sobre el proyecto que se le remitió," in Mexico, SHCP, *Expediente formado en la Secretaría de Hacienda y Crédito Público sobre un Proyecto de Arancel que no tenga los inconvenientes de la Ordenanza General de Aduanas vigente* (Mexico, Imprenta del Gobierno en Palacio, 1869), vol. 1, 1<sup>st</sup> part, p. 137.

date, its reform should focus only on partial modifications, not being a total transformation. Although he concurred with the propositions of introducing the metric system and consolidating all taxes into a single rate, Gamboa disagreed with some of the tariff rate changes, the elimination of employees' share on fines, and some changes in administrative procedures.

According to this report, tariff rates in the Guzmán-Castañeda project were biased against products of mass consumption and for luxury goods. In particular, the First Tariff Revising Commission grouped all kinds of cotton textiles in one category with the same tariff regardless of quality and individual prices. For instance, a common cotton cloth known as *madapollones* and domestics (*manta*) had the same tariff rate –ten cents per square meter- as better quality cloth such as muslin and chintz. Given that domestically produced common cloths could compete satisfactorily with imports at a lower tariff, a ten cent tariff rate seemed unjustified. Therefore, Gamboa proposed reducing the tariff for common cloth to eight cents per square meter, and increasing the tariff for better quality cloth to ten cents per square meter. These changes would maximize the efficacy of import duties on public revenue because lowering tariff rates would increase the quantities of imported sensitive-priced products such as common cloth. This would result in a positive

effect for revenue. In contrast, luxury goods exhibited a less dramatic response to tariff increases, and even when imports would decrease as a result of higher import duties, their low share in total imports reduce its impact on revenue.<sup>31</sup> In modern terminology, price elasticities would determine the maximum level of taxation when revenue, and not only protection levels, mattered. Consequently, Gamboa understood that the tariff differentiation was critical for achieving the goal of protecting revenue while securing tariff levels were compatible with the development of domestic industry.

Another criticism regarding tariff rates proposed by the First Tariff Revising Commission dealt with drugs and medicines. According to Gamboa, the Guzmán-Castañeda project not only omitted a number of products but also furnished tariff rates apparently without any pattern. Gamboa added forty-three products to the list of drugs and medicines, reduced the tariff for natural and artificial mineral waters to 86.7 percent, and increased import duties for silk suspensories by 20 percent. Despite these changes, the report recommended modifying tariff rates when an error or miscalculations were suspected. In part, the disagreement with the tariff rates stems from the fact that the 1856 tariff had set ad valorem rates for most of the goods considered in the drug and medicine group,

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<sup>31</sup> Gamboa also recommended tariff increases for wool, linen, and silk textiles and their manufactures. For instance, the tariff rate for silk mantillas was increased from 12 to 25



thus introducing an arbitrary factor in their conversion to specific rates. In order to avoid mistakes, Gamboa recommended that each customs-house consult a qualified pharmacist to properly classify and tax drugs and medicines. This recommendation was at odds with the premise of simplifying custom procedures, because individual consultations would necessarily cause delays in dispatches and bring about different valuations at each customs-house. It seems, then, that in trying to solve the deficiencies of the tariff project, Gamboa's report was creating new inconveniences.

In all, the report prepared by Gamboa suggested the modification of 118 tariff rates out of a total of 668. Most of these changes corresponded to rate increases in the groups of textiles. Also, 123 categories were added to the list proposed by the tariff project, totaling 774 categories in the schedule prepared by Gamboa (see Table 1.3). Gamboa's project included 33 products in the duty-free list, five less than the Guzmán-Castañeda project. Oats in the grain, common salt, paper for painting, steel bars for mines, and marble slabs for floors were eliminated from the duty-free list (see Table A1.1. in appendix). The report clearly stated that the protection of national industry was one of factors considered when introducing these changes.<sup>32</sup>

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pesos each. Ibid., p. 139.

<sup>32</sup> "The employees of the custom house at Veracruz are aware of the protection domestic

**Table 1.3**  
**Gamboa Tariff Project\***  
(number of categories per group)

Groups	Specific rates	Appraisal rates
Cotton, hemp, linen, wool, silk, and their manufactures	169	3
Species, cereals, food, oils, wines and liquors	71	
Glass manufactures, jewelry, perfumery	153	
Leather, gum, wood, and their manufactures, vehicles, building material, furniture, and office supplies	55	
Medicinal drugs	231	
Sundry articles	95	
Total	665	3
Duty-free	33	

\* Tariff project that resulted from the comments on the Guzmán-Castañeda project, elaborated by José Antonio Gamboa, administrator of the customs-house at Veracruz.

Source: See text.

Besides the comments on tariff rates, the evaluation from the customs-house at Veracruz included comments on almost all the 86 articles featured by the tariff project. Among them were the payment system, the valuation of pilotage rates, the modifications of administrative trials, and the transformation of the Port of Alvarado into a port of entry. The First Tariff Revising Commission had agreed to establish a period between sixty and sixty-five days for the liquidation of three-quarters of the total duties.<sup>33</sup> Gamboa openly rejected this system of payments, insisting that the cash-payment system in force eliminated exchange-rate

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industry deserves and through this consideration they have prudently set duties to be satisfied by imported articles." Ibid., p. 139.

<sup>33</sup> Tariff Revising Commission, "Proyecto de Arancel", p. 5 front.

premiums.<sup>34</sup> Likewise, he opposed the pilotage charge based on volume, as stated by the tariff project, because of potential hindrances caused at customs-houses for computing the pilotage fee.<sup>35</sup> Having consulted an evaluation from port authorities, Gamboa advocated basing pilotage upon weight.<sup>36</sup>

The Guzmán-Castañeda project proposed changes in two aspects that closely touched interests of the Veracruz customs-house, which generated a long and detailed response in Gamboa's report. On the one hand, he disapproved of the reform of administrative trials that eliminated customs employees' share of fines; he considered such shares a well-deserved incentive for employees in their struggle against smuggling: "[customs employees] are being deprived of a right recognized hitherto, one that governments of all eras have agreed upon."<sup>37</sup> Despite the many complaints regarding this regulation, Gamboa defended the interests of public servants and customs-houses, insisting that fine shares enhanced the performance of customs officials and that it was an effective method of

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<sup>34</sup> In addition, Gamboa argued that the cash payment system had been successfully implemented in the United States. See Gamboa, "Nota de la Aduana de Veracruz sobre el proyecto de arancel que se le remitió," p. 140.

<sup>35</sup> "Nowadays the measurement of tons is subject to fixed rules ...[whereas] the new rule would imply the measurement of all packages which would necessarily cause annoyances and delays." Ibid, p. 153

<sup>36</sup> For the report on port charges and procedures see Juan E. de Foster and J. M. Pérez "Opinión sobre los artículos del proyecto de arancel en la parte que hace referencia a la marina", in México, SHCP, *Expediente sobre un Proyecto de Arancel*, vol. 1, p. 81-83.

<sup>37</sup> Gamboa, "Nota de la Aduana de Veracruz sobre el proyecto de arancel que se le remitió", op. cit., p. 144.

controlling contraband. On the other hand, regarding the establishment of Alvarado as port of entry, as suggested by the tariff project, Gamboa objected that lack of infrastructure in Alvarado would generate higher costs than those prevailing under the current port organization in the Gulf of Mexico.<sup>38</sup> While it is true that the deficiencies in the port of Alvarado would translate into difficulties of all sorts, the administrator of the customs-house at Veracruz worried that a new customs-house had the potential, albeit small, to divert trade from larger ports.

Despite numerous criticisms of tariff rates and administrative procedures, Gamboa's report always pointed out possible changes and solutions to improve the tariff project, without altering the overall structure of the reform. The commentary on the total effect on revenue was significantly different. Gamboa demonstrated that the tariff project would diminish revenue collected from import duties, an unacceptable result derived from the reform. As shown in Table 1.4, imports from a sample of shipments in Veracruz being taxed according to the tariff rates proposed by the Guzmán-Castañeda project yielded a lower amount than the actual receipts. That is, revenue to be collected on merchandise from eleven vessels was 1.6 percent lower than the actual collection. Therefore,

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<sup>38</sup> "Being in an isolated point, with no land access to the rest of the places in the Sotavento Coast, internments would be extremely difficult. Even though merchandise could be moved by river in small vessels or canoes to places *arrieros* could reach, costs would increase prices of goods such a way that it would not be possible to carry them to

Gamboa concluded that the project violated one of the premises established by Romero in his instructions to the First Tariff Revising Commission, given that the claim that the new tariff schedule would increase fiscal revenue by ten percent turned out to be false. The erosion of fiscal revenue became a major pitfall in the tariff project, and could not be solved by partial adjustments. Surprisingly, Gamboa did not consider that trade may increase after tariff reforms, thus compensating for some of the revenue losses observed in his exercise.

**Table 1.4**  
Guzmán-Castañeda Project and 1856 Tariff  
Comparisons of Revenue Receipts

Vessel and date	Guzmán- Castañeda	Actual Receipts (1856 Tariff)
San Luis, October 27, 1867	7,530.13	11,013.30
Acapulco, October 31, 1868	8,917.73	9,341.69
Puebla, January 29, 1868	1,821.05	712.90
Marsella, May 13, 1868	615.46	732.75
Washington, June 7, 1868	11,073.15	11,251.87
Kika, January 15, 1868	20,052.75	19,646.96
Mexican, June 18, 1868	13,018.94	13,728.86
Panama, November 9, 1868	905.97	1,036.97
Bolivar, September 15, 1868	27,953.27	26,463.36
Jalapa, August 6, 1868	1,407.11	1,208.84
Washington, September 13, 1868	1,088.94	1,326.49
Total	94,725.39	96,463.99

Source: See text.

In its critical tone and recommendations, the report presented to the ministry of the Treasury on January 1<sup>st</sup>, 1869 showed a general

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the interior." Ibid., p. 145.

disagreement with the Guzmán-Castañeda project. Since the customs-house at Veracruz was the most significant, for the volume of its trade transactions and revenue collection, Gamboa's report must have played a significant role in delaying the immediate application of the reforms.

## **2. The Second Tariff Revising Commission**

The pending initiative to grant the Executive authorization to issue a new tariff law was an obstacle for Romero in the preparation of the new custom law according to his own criteria. His only alternative was to continue surveying opinions on tariff reform issues. A Second Tariff Revising Commission was formed following a presidential decree on January 8, 1869. In justification, the President argued that before pursuing the reform any further, he wished to consult more experts on tariff matters.<sup>39</sup>

The five members of the Second Tariff Revising Commission were former minister of the Treasury Guillermo Prieto, Congressmen Francisco Mejía and José Antonio Morales, a Mexico City customs-house officer, Juan Manuel de Codes, and José Quijano.<sup>40</sup> The Commission soon split

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<sup>39</sup> "Before deciding what he considers convenient regarding this important issue [tariff reform], the President wishes to hear the opinion of another commission that have the special knowledge required to achieved the best results," Mexico, Presidential Decree, "Se nombrará una Comisión para que forme un proyecto de arancel" Mexico City, 8 January 1869, in Dublán and Lozano, *Legislacion Mexicana*, vol. 10, n. 6495, p. 510.

<sup>40</sup> Originally, the invitation was extended to Juan Torrea but he declined in favor of de

because of irreconcilable differences of opinion. Commissioner Codes decided to put together a report of his own, while Prieto and Quijano prepared and signed the report in the name of the Commission.<sup>41</sup> Separately, between January and September, the commissioners worked on the evaluation of the tariff reform file and the new proposals.

The first to complete the tariff reform evaluation was Commissioner Codes. On June 24, 1869, he submitted a document to the ministry of the Treasury containing his observations on the First Tariff Revising Commission's project.<sup>42</sup> Besides his particular expertise on the matter, Codes took into account the aforementioned reports from customs-houses at Veracruz and Matamoros as well as an initiative presented before Congress by the legislature of the state of Yucatan in April 1869.<sup>43</sup> On tariff rates, Codes suggested charging the same duty for all manufactured

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Codes. AGN/HP/1<sup>st</sup> sec., 1868-1869, docs. 23 and 24.

<sup>41</sup> On the separation of Codes, Prieto and Mejía reported succinctly that "after pointless conferences he announced that he wished to present a separate report to the Ministry of the Treasury." Sickness prevented Mr. Morales from attending meetings, while Quijano devoted little time to the Commission. See Guillermo Prieto and Francisco Mejía "Opinion sobre los trabajos hechos para la reforma del arancel," AGN/HP/1<sup>st</sup> sec., 868-1869, doc. 28, f. 1-2.

<sup>42</sup> José Manuel de Codes to minister of the Treasury, 24 June 1869, Mexico City, "Voto Particular of Mr. Codes, AGN/HP/1<sup>st</sup> sec., 1868-1869, doc. 26.

<sup>43</sup> The initiative from Yucatán's legislature urged Federal Congress to authorize the Executive to issue a new tariff according to the Executive's initiative of December 11, 1868. In addition, Yucatan's legislators proposed lowering import duties to a three cent tariff rate for domestics (*manta*) and other low quality cotton textiles, and ten percent reduction for the remaining quoted goods in the current schedule. See Manuel Donde Cámara "Iniciativa presentada a la legislatura de Yucatán por el C. Diputado Manuel Donde Camara, pidiendo se excite al Congreso de la Union a que autorice al Ejecutivo a expedir un nuevo arancel de aduanas," in Mexico, SHCP, *Expediente sobre un Proyecto de Arancel*, vol. 1, p. 87-91.

goods of the same material, in particular in the haberdashery and ironmongery groups. In Codes' opinion, tariff rates for agricultural and artisan tools should be reduced as much as possible as an incentive to domestic production. By the same token, he proposed the inclusion of most raw materials as duty-free articles.

Agreeing with Gamboa's report, Codes also proposed to differentiate tariffs for the textile group. Table 1.5 compares tariff rates proposed by the Guzmán-Castañeda project, the modifications suggested by Gamboa, and the project Codes presented in June 1869. It shows that the distinction between rates for low- and high-quality textiles was refined in the tariff project prepared by Codes, featuring a larger set of categories for cotton, linen, woolen, and silk textiles. Whereas the Guzmán-Castañeda project featured one single category for all kinds of cotton textiles, Codes included four categories, with tariff rates ranging from 10 to 18 cents per meter. Therefore, tariff differentiation for textiles was a solution Codes found for taxing textile imports of different prices and qualities.

Despite the fact that most tariff rates were specific, ad valorem and appraisal rates remained in Codes' proposal. His rates ranged from ten to fifty percent, to be applied to a total of sixty-four products, including those formerly prohibited by the 1856 tariff. Most notably, Codes used ad



valorem rates for all drugs and chemicals. Indeed, under the heading “Medicinal Drugs and Chemical Products,” an *ad valorem* tariff rate of forty percent appeared for all products in this category, provided that they were not already specified in the tariff schedule.<sup>44</sup>

In sum, Codes’ proposal put forward the ideas of low rates for raw materials and intermediate goods, and differentiated textile rates through the addition of categories. On tariff exemptions, Codes featured 36 articles *vis-à-vis* 38 presented in the Guzmán-Castañeda project. Among the twelve additions figured rails, steam engines and locomotives for railways, ice, and maize, whereas fourteen articles were removed from the list, including gummed and half gummed paper, hydraulic lime, and oats (see Table A1.1 in appendix).

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<sup>44</sup> “Medicinal drugs and chemical products used in medicine and arts; instruments and containers, and all kinds of inputs for medicine and pharmacy, not specify in the classification of this schedule, will pay 40 percent of their invoice value.” J. M. Codes, “Proyecto de Arancel formado por el Sr. D. J. Manuel Codes,” in México, SHCP, *Expediente sobre un Proyecto de Arancel*, vol. 1, p. 209.

**Table 1.5**  
Cotton Textiles Tariff Rates as presented in  
the Guzmán-Castañeda and Codes Projects

Description	Tariff Rate (cents per sq. Meter)
<b>Guzmán-Castañeda Project</b>	
• Cotton cloth, of all kinds	10
• Woolen cloth, of all kinds	14
• Linen cloth, of all kinds	18
• Silk cloth, of all kinds	12.00*
<b>Gamboa Project</b>	
• Cotton cloth, plain, bleached or unbleached	8
• Cotton cloth, bleached or unbleached, serged, twined, or plushed.	12
• Cotton cloth, colored, of all kinds	12
• Woolen cloth, of all kinds	20
• Linen cloth, of all kinds	11
• Silk cloth, of all kinds, and its manufactures	12.00*
<b>Codes Project **</b>	
• Cotton cloth, plain, bleached or unbleached.	4.5
• Cotton cloth, bleached or unbleached serged, twined or plushed	6
• Cotton cloth, dyed, serged, damasked, o velveted	7
• Cotton cloth, colored, known as chintz	7
• Linen cloth, bleached or unbleached, up to 22 threads in a square inch.	8
• Linen cloth, bleached or unbleached, between 22 and 36 threads in a sq. inch.	8
• Linen cloth, bleached or unbleached, more than 36 threads in a square inch.	12
• Linen cloth, dyed, stripped or listed.	8
• Linen cloth, bleached or unbleached, colored, worked, serged, damasked.	12
• Linen cloth, bleached or unbleached, embroidered or open-worked.	18
• Linen cloth, colored, known as olan batista and cambray.	30
• Woolen cloth, twined, serged, colored, not specified	17
• Woolen cassmires	20
• Woolen cloth	18
• Silk cloth, of all kinds	10.00*

Note: \* Pesos per kilogram.

\*\* Codes tariff rates had been transform to their equivalent to kilograms because they were originally presented in *varas*.

Source: Mexico, SHCP, *Expediente sobre un Proyecto de Arancel*, passim.

On the distribution of fines among customs officials, Codes not only argued in its favor but also recommended that all public servants denouncing fraudulent actions should receive a share of fines. In other words, Codes extended the system of fine apportioning among bureaucrats because he deemed it an effective mechanism to curb smuggling. His rejection of the metric system was more difficult to understand. Codes favored keeping the current system of weights and measures for setting tariff rates, arguing that "there is no urgent need to vary the established weights and measures used in the Republic."<sup>45</sup> Yet, the decision was at odds with one of the initial premises of the tariff reform ordered by Romero and the recommendations of other proposals.<sup>46</sup> From Codes' point of view, the current weight and measure system posed no conversion problems; according to other opinions, it hindered foreign transactions, a situation that could be ameliorated by adopting the metric system.

Romero received the document formulated by Codes and added it to the tariff reform file. Meanwhile, the other Commissioners were still reviewing the tariff proposals and working on a project of their own.

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<sup>45</sup> Codes "Voto Particular del Sr. Codes", p. 2 front.

<sup>46</sup> In the initiative sent to Congress on December 11, 1868, Romero established the adoption of the decimal metric system as one of the conditions to be met by the new tariff, see Romero to Congress "Iniciativa", p. 1. Gamboa arranged tariff rates according to decimal metric system valuations, see Gamboa, "Nota de la Aduana de Veracruz sobre Proyecto que se le remitió."

Reduced to only three of its original members, Guillermo Prieto, Francisco Mejía, and José Quijano, the Second Tariff Revising Commission presented its report on September 8, 1869.<sup>47</sup> This extensive document consisted of two parts, the first a commentary on the existing reform proposals, the second a new project drafted according to Prieto's and Mejía's principles.<sup>48</sup>

Prieto and Mejía firmly believed both that fiscal goals should guide tariff reform and that the liberal principles of free trade should prevail whenever possible. In the conciliation of these two opposing forces, they rejected the use of tariffs as a protective device. While raw cotton, textiles and tobacco tariffs, among others, reflected conflicting interests between agriculturists and industrialists, Prieto and Mejía found unacceptable to deliberately favor one branch of the economy by using import duties. On these grounds, they criticized the position taken by the First Revising Commission that tariffs had a protective function: "following this principle, apparently false and opposed to constitutional precepts, tariff rates are

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<sup>47</sup> Sickness prevented Mr. Morales from participating in the works of the commission. Commissioner Quijano did participate but disagreed with the regulatory aspects of the tariff. See G. Prieto and F. Mejía, "Observaciones hechas por los CC. Prieto and Mejía sobre el proyecto de arancel formado por los Sres. Guzman y socios," in México, SHCP, *Expediente sobre un Proyecto de Arancel*, vol. 1, p. 243-245; Quijano to Romero, Mexico City, 15 October 1869, in AGN/HP/1<sup>st</sup> sec., 1868-69, doc. 30.

<sup>48</sup> The proposals reviewed by Prieto and Mejía were those by the First Examining Commission, the customs-houses at Veracruz and Matamoros, Codes, and Plum. The tariff schedule included 586 products arranged according to traditional weights and measures (vara, libra, quintal, etc.). See Prieto and Mejía "Observaciones hechas por los CC. Prieto y Mejía," pp. 243-312.

tainted by an arbitrary intention present even in the best regulated tariffs that we know of.”<sup>49</sup>

Both Prieto and Mejía had served as customs employees at some point in their careers, and Quijano had worked as inspector at the Mexico City customs-house, having ample experience on the operation of custom-house procedures.<sup>50</sup> On their judgement, the rules on administrative procedures recommended by Gamboa were sufficient for conciliating the interests of the government and the trade community, thus accepting that the changes proposed by the Guzmán-Castañeda project implied changes difficult to implement without disturbing revenue collection and trade flows.<sup>51</sup>

For instance, the project of the Second Revising Commission accepted Gamboa’s recommendation of a cash-payment system. Arguing

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<sup>49</sup> Similarly, in commenting on Codes tariff project, Prieto and Mejía objected to his ideas about protection for domestic activities. Ibid, p. 244 and 248.

<sup>50</sup> At the age of fifteen, Prieto served as unpaid trainee at México City’s custom house where he later became secretary of the administrator. As Secretary of the Treasury in the 1850s he promoted free trade ideas and gave impulse to tariff reforms. See Guillermo Prieto, *Memorias de mis Tiempos* (México, Porrúa, 1906); *Diccionario Porrúa de Historia, Biografía y Geografía de México* (México, Porrúa, 1995), vol. 3, p. 2796. Francisco Mejía served as secretary to the committee on tariffs between June 1848 and July 1849. In this year, he became alcaide of the customs-house at Veracruz. In 1854 he was accountant of the customs-house at Mazatlán. See *Memorias de Don Francisco Mejía; Secretario de Hacienda de los Presidentes Juárez y Lerdo* (México, Secretaría de Hacienda y Crédito Público, 1958); Lavelle Richburg Ure, *Francisco Mejía: the life and career patterns of a 19<sup>th</sup> century bureaucrat, 1822-1901* (Ph. D. Dissertation, UC-Santa Barbara, 1986).

<sup>51</sup> “Generally, regulation articles noticed by the Veracruz customs-house were considered and copied into our project, because they seemed sensible, and because this is not a literary work in which we aimed at originality, we are more interested in combining the public’s interests with those of the Government to bring about the general well-being.”

that the weak condition of public finances and the dependence on import taxes left no room for granting extensions or delays in import-duty payments, Prieto and Mejía agreed that the cash-payment system allowed the government to avoid borrowing at high interest rates. On the issue of fine apportioning, Prieto and Mejía showed a hesitant attitude, fearing for the results of changing the *status quo*. Although they agreed with the arguments presented by the First Tariff Revising Commission against participation on fines, Prieto and Mejía again accepted Gamboa's proposal to keep this practice on the grounds that it represented an effective mechanism to curb smuggling.<sup>52</sup>

The coincidences with Gamboa were not absolute. Prieto and Mejía left the issue of transforming Alvarado into a port of entry unresolved, despite Gamboa's opposition to changing this port's status. The issue of a free zone in Tamaulipas was not addressed in the Second Tariff Revising Commission's report either. To justify these omissions, Prieto and Mejía contended that since determining tariff rates was Commission's ultimate goal, the complexity of these two issues could have distracted their attention from their paramount concerns.<sup>53</sup> In

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Prieto and Mejía "Observaciones hechas por los CC. Prieto y Mejía," pp. 244.

<sup>52</sup> Ibid., p. 245.

<sup>53</sup> Lack of information in both cases prevented Commissioners Prieto and Mejía from making a recommendation. Instead, they included their point of view. For instance, they were not convinced by the justification of the free trade zone provided by the administrator of the customs-house at Matamoros, finding it an aberration that a particular area along the border enjoyed privileges forbidden to others. Ibid., p. 246.

addition, they deemed inappropriate to discuss the suggestions formulated by the U.S. chargé d'affaires, because taking into account the interests of a foreign country implied risks that might seriously endanger the reform. Furthermore, the type of the reform implicit in Plum's comment entailed a radical change in the tariff with unclear consequences.<sup>54</sup>

Having reviewed the different aspects of the tariff proposals, Commissioners proceeded to elaborate a tariff project of their own following Romero's verbal instruction.<sup>55</sup> In the project's introductory notes, Prieto and Mejía considered that the reform's success depended heavily on properly addressing and understanding the interaction between local and regional interests and federal prescriptions on import duties and contraband. On the one hand, local and regional resistance to federal regulation had resulted in the application of regional tariffs and discounts, and in constant demands for special privileges. Hence, the tariff reform should be able to conciliate federal and local interests by incorporating individual demands as much as possible, while taking into account the needs of the federal treasury. Failing to respond to regional and local

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<sup>54</sup> Ibid., p. 247.

<sup>55</sup> "It would have easier, fast and less open to debate if we had only voiced our opinions on Mr. Guzmán and Castañeda's work... we [Guillermo Prieto and Francisco Mejía] verbally informed you of this, but you [Romero] encourage us to submit a project:" Ibid., p. 244.

differences would necessarily give rise to “anarchy at the heart of the federal pact.”<sup>56</sup>

On the other hand, measures to curb smuggling required not only strengthening the coastguard and customs police but also the cooperation from groups that previously had fostered it and reaped its benefits. Foreign agents and brokers had used their influence to create special funds in the federal treasury, in order to obtain advantages in the form of duty payments, and to distort tariff rates and other customs procedures. Limiting the actions of foreign agents and organized merchants to commercial activities was then an indispensable requisite to properly meet the goals of the reform. In other words, the tariff reform entailed a bargaining process juggling a variety of interests and aiming to reduce privileges to a minimum.

Regarding tariff rates, Prieto and Mejía insisted on the role of import duties as a source of federal revenue. That is, tariff rate changes should primarily respond to fiscal purposes, relegating considerations of protection to a lower degree of importance. As a general guideline for tariff policy, the Second Tariff Revising Commission suggested a reduction in import duties. Excessive tariffs had reduced legal imports and provided incentives for smuggling, resulting in revenue erosion. Reducing tariff rates for mass consumption would both increase demand for imports

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<sup>56</sup> Ibid., p. 249.



and increase total duties.<sup>57</sup> In other cases, tariff modifications sought proportionality between value and duties, eliminating disparities that had affected low-value goods. Also aiming to protect revenue, specific rates were preferred over other forms of valuation because they prevented fraud and facilitated computations for merchants and customs officials. In spite of considering *ad valorem* rates a better system, a biannual revision could remedy some of the pitfalls of specific rates. Although introduction of the metric system had been established as one of the goals of the tariff reform, the schedule elaborated by Prieto and Mejía kept the traditional system of weights and measures unaltered.

All the changes in tariff rates and classification resulted in a tariff schedule of 586 items divided in sixteen categories, featuring specific tariffs for all but one category (see table 1.6). In addition, Prieto Mejía's proposal included twenty chapters detailing customs procedures, from consular invoices to administrative trials.

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<sup>57</sup> Prieto and Mejía admitted that only "heavy, bulky, and difficult to hide goods would support high rates." Ibid., p. 252.

**Table 1.6**  
**Prieto and Mejía Tariff Project**  
(number of categories per group)

Groups	Number of	Categories
	Specific rates	Appraisal rates
Food and beverages	59	
Groceries	28	
Cotton and its manufactures	37	
Cotton ready made clothing	15	
Linen and hemp, and their manufactures	30	
Linen ready-made clothing	6	
Wool and skins, and their manufactures	34	
Woolen ready-made clothing	7	
Silk and its manufactures	26	
Silk ready-made clothing	10	
Jewelry and silver manufactures	24	1
Glass and pottery	18	
Ironmongery	91	
Haberdashery	137	
Sundry articles	53	
Drugs and related articles	11	
Total	581	1
Duty-free	40	

Source: See text.

Despite Prieto's and Mejía's exhaustive work, they deliberately omitted designation of tariff rates for certain products, among them flour and raw cotton. The reasons they gave to justify excluding these products' rates were that the data necessary to properly reply to other opinions, on rate modifications, were unavailable. Perhaps more important, since these products had been on a list of prohibited goods in the past, vested interests evidently influenced their decision to omit these rates.<sup>58</sup>

<sup>58</sup> "Such tariff rates affect powerful interests, which have already sounded the alarm

However, as table 1.7 shows, both Guzmán-Castañeda and Gamboa projects taxed wheat with similar tariff rates. In the case of raw cotton, Gamboa and Codes set the same tariff.

**Table 1.7**  
Wheat Flour and Raw Cotton Tariff Rates

Project	Wheat Flour (pesos per kilogram)	Raw Cotton, ginned or unginned (pesos per kilogram)
Guzmán Castañeda	.05	.07
Gamboa	.06	.08
Codes	Not specified	.08*
1856 Tariff	Prohibited	.03

\*Corresponds to ginned cotton. Equivalent to the original tariff rate, four pesos per quintal.

Source: México, SHCP, *Expediente sobre un Proyecto de Arancel*, passim.

On drugs and medicines, Prieto and Mejía used broad categories to classify all sorts of drugs. For instance, all types of medicinal drugs would bear a tariff of 4 pesos per quintal (equivalent to 7 cents per kilogram); medicines in boxes had a tariff of 12 pesos per quintal, 14 if in flasks (equivalent to 23 and 28 cents per kilogram respectively); the tariff for unclassified goods was 10 pesos per quintal (or 20 cents per kilogram). A classification in such terms could produce either over- or under-taxation, because of the lack of differentiation of the large number of goods classified in each category. The list of duty-free articles of the Prieto and Mejía project featured 41 goods, almost as many as in the Guzmán-Castañeda project. The main difference is that the latter exempted oats in the grain and printing paper, whereas Prieto and Mejía

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because of the announcement of tariff reform." Ibid., p. 254.

added agricultural utensils, box wood, iron cards for machinery, and iron and steel rails (see Table A1.1. in appendix).

### **3. Tariff Debate in Congress, 1869-1870**

Romero had waited since December for the approval of the initiative to authorize the Executive to issue a new tariff. Since Congress had not resolved this issue, in September the minister of the Treasury insisted on the need to reform the current customs law, not only because its deficiencies were already apparent, but also because in anticipation of the reform "the merchant community was expectant to the detriment of public finances."<sup>59</sup> In other words, businessmen had suspended imports, since they "have thought it wiser to wait, before ordering, until the particulars of the new tariff were known."<sup>60</sup> Romero reiterated the idea of conferring on the Executive the authority for issuing the tariff. Having collected several opinions on the tariff question, he was prepared to conclude the reform in a relatively short period. Or else, if Congress would decide to keep the faculty to reform the customs law, the projects and opinions contained in the tariff reform file would allow congressmen to hasten their decision. The President of the Republic himself asked the

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<sup>59</sup> Romero to Congress, 27 September 1869, in México, SHCP, *Expediente sobre un Proyecto de Arancel*, vol. 1, p. 316.

<sup>60</sup> Mexico, SHCP, *Memoria de Hacienda 1869*, p. 15.

Fifth Congress for a resolution regarding the initiative during his opening speech at the second ordinary session.<sup>61</sup>

The lack of response led Romero to write to Congress insisting on the urgency of the matter. On October 12, he asked Congress to decide on the tariff reform immediately,

Considering it of great public utility that Congress decides, without delay, on the tariff question that has put trade in suspense, with severe harm to the interests of the Treasury, the Executive believes its duty is to recommend once more to the Chamber of Deputies to decide on this issue as its urgency demands.<sup>62</sup>

Despite the immobility of Congress on the tariff reform, Romero continued surveying different opinions on the tariff question as he had done in the past. In October, he included Prieto's and Mejía's proposal in the tariff reform file, and instructed administrators of all customs-houses in the country to examine the file and to send back to the ministry their opinions and suggestions. Also, administrators should seek the opinion of local merchants, inviting them to express their point of view on the existing proposals, and to suggest suitable changes.<sup>63</sup>

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<sup>61</sup> Benito Juárez, "Discurso Pronunciado por el Presidente de la República en la Apertura del Congreso de la Unión" in *Documentos, discursos y correspondencia* (Mexico, Libros de Mexico, 1975), selection and notes of Jorge L. Tamayo, vol 14, p. 20.

<sup>62</sup> Romero to Congress, 12 October 1869, in México, SHCP, *Expediente sobre un Proyecto de Arancel*, vol.1, p. 317.

<sup>63</sup> México, SHCP, *Memoranda*, 1<sup>st</sup> Sec., 19 October 1969, in México, SHCP, *Expediente sobre un Proyecto de Arancel*, vol., 1, p. 317.

By early December, nine administrators sent their evaluations of the tariff reform.<sup>64</sup> From Veracruz, the members of the commodity exchange (*Lonja mercantil*) submitted a tariff project that shared some of the points of view that administrator Gamboa had presented in January 1869.

**Table 1.8**  
Tariff Project of Merchants from Veracruz  
(number of categories per group)

Groups
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<sup>64</sup> Custom house administrators from Tampico, Tabasco, Paso del Norte, and Ojinaga, sent their impressions of the reform. Five others administrators sent documents formulated by local merchants and businessmen. In Acapulco, merchants consulted were Quiros, Uruñuela and Co., Fualve, Azuyata and Co., Carlos Arrillaga, H. Kastan and Co., Rafael Bello, Ramón Campos, Merino and Co., J. J. Barrero, B. Fernández and Co., Julio Gericke, R. Gericke. J. A. Gamboa, administrator of the custom house at Veracruz, asked the opinion of the commodity exchange members at the port, Domingo A. Miron (president), Muñoz Hermanos and Co.; F. Fomento and Co.; Enrique d'Oleire; Jorge de la Serna; T. Orn and Co.; Watermeyer Wiechers, and Co.; Neron Hermanos; Wittenez and Co.; Prida and Fritzmaurice; During and Co.; J. Lelong and Co.; J.C. Albers and Co.; Ringel and Goebel; J. Galainena and Co.; Guillermo Fritzmaurice; R.C. Ritter and Co.; Cambuston Fichers and Co.; Bonne Ebert and Co.; Busing Mertens and Co.; Doormann and Co.; German Kroncke and Co.; Calleja and Martinez; and A. Gordillo. In Mazatlán, Juan N. Rábago, administrator of the custom house, asked Echeguren Hermanos and Cía. to examine the tariff reform file.

In conjunction with Pedro Fort this company wrote a report with suggestions and comments on the proposals. México City's merchants also gave their opinion on some aspects of the proposed reforms. See *Expediente sobre un Proyecto de Arancel*, vol. 1,

From table 1.8 above, it is worth noting that the Veracruz merchants' project completely eliminated appraisal and ad valorem rates. Table A1.1. shows that on exempted goods, this project featured only 39 products, mostly because the duty-free list excluded grains (oats, barley and maize), and chemical and mineral products (powder for mines and copper sulfate). As in other projects, the distribution of fines remained but the rules of the administrative trials were carefully detailed, reflecting merchants' interests in reducing importers' burden due to legislative gaps.<sup>65</sup>

Two commercial houses in Mazatlán, Echeguren and Font, also sent their comments on the tariff reform. Their major criticism of the existing projects was that they all entailed difficulties for importers because of the diversity in rates. Hence, the Mazatlán merchants proposed a simpler system. Imports should be classified in four groups and taxed accordingly. The first group would be exempted of any duty, being mostly food staples. The second group would include raw materials, machinery, and apparatus needed for the development of industry, agriculture, and arts, with duties between zero and fourteen percent. The third group would comprise goods of general consumption, "of great

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<sup>2nd</sup> part, p. 4-188.

<sup>65</sup> See *Proyecto de Arancel General de Aduanas Maritimas y Fronterizas* in AGN, Folleteria de Hacienda Publica, vol. 39, doc. 18, chapter IX.

importance for trade but not of second degree of necessity.”<sup>66</sup> Tariff rates for this group would fluctuate between fifteen and thirty-four percent. Finally, the fourth group would encompass luxury goods, which should have duties from thirty-five to sixty percent. Merchants from Mazatlán believed that their ideas provided a system of “liberal protection” based on moderate tariffs that would satisfactorily respond to the government’s interests as well as those of the commerce and industry. Although Echeguren and Fort provided the guidelines for a new arrangement, they failed to provide its application to the tariff schedule. Most likely, they declined to detail their ideas in a complete schedule because the work needed for the reclassification of a large number of commodities required much time and specific knowledge for certain sets of merchandise. To the existing list of duty free articles, Mazatlán’s merchants suggested eleven products, among them steel bars for mines, raw cotton, maize, and powder.

The regulation of bonded ports and the payment system were the issues that attracted the attention of merchants from Mexico City. Bonded ports would allow importers to defer payment of duties and therefore reduce the amount of working capital of those in the business. Yet,

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<sup>66</sup> Echeguren & Co.. and Pedro Fort, “Informe emitido por los Sres. P. Fort y Cia. y Echeguren Hermandos y Cia. del comercio de Mazatlan sobre las reformas necesarias en los aranceles de Aduanas Maritimas y Frontereizas de la Republica Mexicana” in *Expediente sobre un Proyecto de Arancel*, vol. 1, 2<sup>nd</sup> part, p. 163.



bonded ports seemed to have been opposed by those concerned with revenue from import duties. Mexico City's merchants recommended extending the franchise to all ports and not only along the Pacific Coast. In case the establishment of bonded ports was rejected altogether, then the system of payments should be reformed. In order to improve trade, businessmen from the capital advocated a new system in which merchants would pay import duties in three successive periods.<sup>67</sup> Yet, Gamboa had already criticized any form of deferment of duty payments, pointing out the importance of the cash payment system.

It was not until the end of 1869 that Congress' industry and treasury committees issued their official decision regarding the new tariff.<sup>68</sup> These committees recognized that the Executive's petition to grant it the authority of issuing the new tariff went against Section 9 of the Constitution's Article 72 , that only Congress could issue the tariff.<sup>69</sup> Therefore, the alternative they suggested was either to create a special

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<sup>67</sup> Comercio de la Ciudad de Mexico to Congress, 9 December 1869, in *Expediente sobre un Proyecto de Arancel*, vol. 1, 2<sup>nd</sup> part, p. 185-188.

<sup>68</sup> The congressmen members of this committees were Castañeda, Guillermo Prieto, J. V. Baz, R. G. Guzmán, Romero Rubio, F. Menocal, and F. Mejía. See México. Congress, *Proyecto de las Comisiones de Aranceles del Congreso de la Unión*, 5 Cong., 2<sup>nd</sup> sess., 22 November 1869.

<sup>69</sup> Romero answered this criticism by stating that six out of the eight tariffs established after the country's Independence were issued by the Executive using his legislative faculties or under orders from the Congress in power at the time, including the tariff of January 31, 1856. See Mexico, SHCP, *Observaciones que hace el Ejecutivo al Proyecto de Arancel de Aduanas Marítimas y Fronterizas declarado a votar por el Quinto Congreso de la Unión en su Segundo Periodo de Sesiones* (México, Imprenta del Gobierno, 1870), p. 43.

committee in which the Executive could participate or to leave the treasury and industry committees in charge of drafting the proposed bill regarding the tariff reform.

Thus, on November 26, 1869, a resolution from the treasury and industry committees proposed that the new tariff be issued jointly with the Executive. Yet, the work to be undertaken by both committees and the Minister of the Treasury, in representation of the Executive, had a limited scope. The resolution defined nine bases that would govern the design of the tariff reform. Among them stand out the conditions that imposed limits on tariff changes, administrative trials and the free zone. New duties would be on the basis of the 1856 tariff; that is, current rates would be adjusted to its equivalent of twenty-five to thirty percent appraisal rates. No import duty should offer protection to certain industrial branches; instead, tariffs should equalize the condition of foreign and domestically produced goods. In addition to Tamaulipas and Nuevo León, the free zone franchise would also be granted to the bordering states of Chihuahua and Coahuila. Administrative trials for fraud would disappear, and thus as well the distribution of fines among customs-house employees.

Signaling confidence in a rapid agreement between the committees and the fiscal authorities, the third article of the resolution proposed

January 15, 1870, as the date for a new tariff. That is, members of the committees were convinced that a month and a half would be enough for completing the reform. In other words, once Congress decided on the critical issues, a rapid agreement with the Minister of the Treasury was supposed to be easy.

The optimism of the treasury and industry committees did not last. During Congress' ordinary sessions, their resolution was severely criticized. At the heart of the debate was the unwillingness to have the Executive take part in issuing the tariff. On December 7, Congressman Mendiola accused the committees of wanting to do away with the participation of Congress by allowing only the committees and the Executive to draft the new tariff. Voicing the opinion of several congressmen, Mendiola declared that Congress should not forswear its faculty, for "the Chamber has the same reasons to refuse the decision presented before it as the committees had to refuse the Government's pretenses."<sup>70</sup> In defense of the resolution from the committees, Congressman Prieto pointed out that in approving the bases for the reform, Congress would have the opportunity to shape the tariff reform. Leaving the elaboration of the reform in the hands of the Minister of the Treasury and two committees from Congress, Prieto argued, offered the advantage of speeding up the approval of the long-awaited customs law.

Congressman Mejía concurred on the importance of a rapid solution of the tariff question, pointing out that the new tariff might alleviate the existing imbalance in public finances through a rise in revenue derived from import duties.<sup>71</sup>

Failing to convince Congress of the benefits of approving the resolution, Guzmán, Romero Rubio, Menocal, and Múgica gave up before the severe criticism of their fellow congressmen, withdrawing discussion the resolution for further consideration within the committees. Finally, on December 10, the treasury and industry committees resubmitted the resolution having amended its first provision. committees would be in charge of drafting a tariff project that would be fully reviewed and approved by Congress, thus eliminating Executive's participation in the process.

The bases of the reform were also the targets of scrutiny and review. For instance, most of the members of the Chamber rejected the notion that tariffs should have a protective character, and explicitly eliminated it from the bases that controlled the reform. Moreover, the fourth basis to be approved by Congress confirmed the existence of a free zone in Tamaulipas and Nuevo León, and besides, extended it to Coahuila and Chihuahua.

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<sup>70</sup> Mexico, Congress, *Diario de los Debates*, 5<sup>th</sup> Cong., 2<sup>nd</sup> sess., 5 December 1869.

<sup>71</sup> Congress, *Diario de los Debates*, 5<sup>th</sup> Cong., 2<sup>nd</sup> sess., 7 December 1869.

Having approved the bases for the tariff, Congress then named a tariff committee, formed by the members of the treasury and industry committees plus congressmen Gabriel Mancera. The tariff committee would outline a tariff reform bill, and present it to Congress' plenary session for ratification.<sup>72</sup> Since the reform was being delayed, the tariff committee was asked to deliver the project for the reform bill as soon as possible. Congressmen even agreed to discuss parts of the tariff as they became available. Thus, Congress defeated Romero, whose intent had been to leave the reform under the exclusive control of the Executive power.

The tariff committee had the tariff project ready by December 31, 1869. The short time taken to draft the new proposal is not surprising, since members of the committee had at their disposal the tariff reform file containing four proposals and several documents with petitions and suggestions. Moreover, Prieto, Mejía, Castañeda, and Guzmán had authored two of the tariff projects between January, 1868, and September, 1869.

In a total of fifteen sessions in early 1870, seven in January and eight in April, Congress discussed the proposed reforms. The articles featuring tariff rates, from number 32 to number 38, were approved almost

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<sup>72</sup> "The commissions that had already been named by the House will elaborate the tariff proposal upon the bases approved and will submit it to Congress for the Constitutional

entirely as drafted by the committees. The only major exceptions were raw cotton and common cotton cloth (unbleached domestics or *manta*). During the discussions, Congress reduced the rate for raw cotton from nine to seven cents per kilogram, and added the category of unbleached domestics.

Having approved the tariff proposal submitted by the treasury and industry committees, on April 16, 1870, Congress sent the tariff bill to the Ministry of the Treasury, in agreement with Section Four of Article 70 of the Constitution. Romero then painstakingly proceeded, as was characteristic of him, to put together his observations regarding the proposed law.<sup>73</sup>

Romero's observations revealed all sorts of disagreements with Congress' project. Not only did he criticize the lack of uniformity in tariff changes, but also pointed out omissions and mistakes still found in the project.<sup>74</sup> He suggested some commodities that could be added to the duty free list, since Congress had eliminated some that already enjoyed

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procedures." Congress, *Diario de los Debates*, 5<sup>th</sup> Cong., 2<sup>nd</sup> sess., 16 December 1869.

<sup>73</sup> México, SCHP, *Observaciones que hace el Ejecutivo al Proyecto de Arancel*, which contains Romero's observations, has more than 370 paragraphs in which the Secretary of the Treasury analyzed and suggested modifications to the proposed law regarding tariff reform.

<sup>74</sup> For instance, the congressional tariff project exhibited fewer categories than the current tariff with important omissions in the drug and chemical groups. See México, SCHP, *Observaciones que hace el Ejecutivo al Proyecto de Arancel Observaciones que hace el Ejecutivo al Proyecto de Arancel*, op. cit., p. 81.

this status and there were others that in his opinion should be included.<sup>75</sup> This way, the list of duty free goods grew from 43 to 63 products (see Table A1.1. appendix).

Regarding import duties, Romero pointed out that import duties in the proposed bill were very similar to those in the Guzmán-Castañeda project, and that therefore the changes suggested by other committees and reform projects contained in the tariff reform file had been almost completely disregarded. The most significant disadvantage of adopting rates similar to those in the Guzmán-Castañeda project was, as Gamboa had highlighted in January 1869, that it implied a reduction in revenue of approximately six percent (see Table 1.4). Table 1.9 shows computations of the loss if the tariff bill had gone into effect. Note that the hypothetical revenue from the rates proposed by Congress' bill in 1869 was higher than that from the Guzmán-Castañeda project. Yet, the hypothetical revenue level was still lower than the actual receipts.

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<sup>75</sup> Among the articles admitted free of duty according to the 1856 tariff but omitted by the tariff proposal were guano and railroads. Romero suggested including steel in bars, tools for agriculture, maize, maize flour, powder for mines. *Ibid.*, p. 40.

**Table 1.9**  
Congress Tariff Proposal and 1856 Tariff  
Comparisons of Revenue Receipts  
(pesos)

Vessel and date	Congress 1869	Actual Receipts (1856 Tariff)
San Luis, October 27, 1867	8,439.19	11,013.30
Acapulco, October 31, 1868	9,305.12	9,341.69
Puebla, January 29, 1868	1,485.16	712.90
Marsella, May 13, 1868	689.17	732.75
Washington, June 7, 1868	11,772.85	11,251.87
Kika, January 15, 1868	19,565.02	19,646.96
Mexican, June 18, 1868	13,158.55	13,728.86
Panama, November 9, 1868	1,083.23	1,036.97
Bolivar, September 15, 1868	27,953.27	26,463.36
Jalapa, August 6, 1868	1,507.36	1,208.84
Washington, September 13, 1868	1,083.58	1,326.49
<b>Total</b>	<b>96,042.50</b>	<b>96,463.99</b>

Source: *Expediente sobre un Proyecto de Arancel*, vol. 2, 3<sup>rd</sup> part, p. 150.

By recommending specific changes in import duties, the Minister of the Treasury combined several ideas regarding the use of trade policy. Though he took free trade as the ideal, he also recognized that tariffs represented a source of income which the government could not do without. A very high tariff that brought about a reduction in imports and fostered contraband should therefore be avoided too. In some of his observations on the tariff bill, Romero consequently echoed the voices asking for lower duties on raw materials and protective duties for final goods. Remarkably, the Minister of the Treasury considered that the tariff of nine cents per gross kilogram for raw cotton was too high,



recommending instead a reduction to six cents. Also, Romero refused the proposed rates for white and colored yarn because they entailed a reduction of fifteen and twenty-four percent respectively relative to the rates in force. However, Romero's attitude of protecting industrial interests was not equal for every good. Being the cotton cloth issue the most sensitive, Romero chose to modify the terminology distinguishing low class textiles from those considered a luxury. As a result he assigned, cotton cloth of massive consumption an eight-cent tariff per square meter and luxury cloth twelve cents per square meter, instead of the ten cents that the tariff project assigned to all kinds of cotton cloth.

Fiscal goals led Romero to consider some reductions in tariff rates inappropriate when domestic production could substitute for imports. Such was the case of beer, suggesting the maintenance of the duties established in the 1856 tariff: "...there is no reason to lower these rates, he wrote, since beer is an article produced in the country and not a primary necessity."<sup>76</sup>

Interestingly, in most of his recommendations Romero followed closely the rates quoted in Gamboa's project of January 1869.<sup>77</sup> Two reasons explain this preference. On one hand, projects such as Codes', or the Second Tariff Revising Commission's had not completely adopted

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<sup>76</sup> Ibid., p. 95

<sup>77</sup> Romero borrowed the classification and tariff rate suggestions from the tariff project

the metric system, which made it difficult to compare them with those in Congress' project of April of 1870. Besides, Veracruz being the most important customs-house of the country, it was very desirable that its administrator hold views in accord with those of the federal authorities. Gamboa maintained, indeed, a close relationship to Romero and President Juárez. When Romero needed an evaluation of the Guzmán-Castañeda tariff project, he sought the advice of Gamboa. A personal friend of President Juárez, Gamboa regularly informed him of important customs issues.<sup>78</sup>

Romero sent his comments on Congress' tariff project to the tariff committee, on April 25, only ten days after he had received the document. Since the approval of the budget for the fiscal year of 1870-1871 took up the rest of the session, the tariff committee would not present its decision for final approval until the next session.

Throughout the summer of 1870, the tariff committee included not only some of Romero's observations, but also an increase of ten percent in duties on all products. Romero considered the increase to be one of the few instruments within his reach to allow some relief in the uncertain fiscal situation and keep the deficit no worse than that in 1869-1870.<sup>79</sup>

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from the Veracruz custom-house project in his response to Congress.

<sup>78</sup> See, for instance, Gamboa to Juárez, Veracruz, 11 October 1869, in Benito Juárez, *Documentos, discursos y correspondencia*, vol. 14, p. 47.

<sup>79</sup> The public deficit reached 4,433,261 pesos, 3.44 percent of total revenue. The failure

At the inauguration of the Sixth Constitutional Congress, president Juárez declared that "the imbalance between revenue and expenditure requires special consideration of all issues tending to improve the condition of the treasury."<sup>80</sup> He and his cabinet expected to increase revenue through the long-awaited tariff reform, but the final decision was still in the hands of Congress.

During the session of September 27, 1870, the tariff committee presented its deliberations on Romero's observations to Congress. Its bill contained the ten-percent increase in tariffs that the committee and Romero had agreed to over the summer. The opposition of a group of congressmen led by Manuel Rojo, Peniche and Mendiola was swift. They denounced the tariff committee for proposing an increase in import duties, when it had no more mandate than to incorporate pertinent changes from Romero's observations in April. They also accused the Minister of the Treasury of once more trying to interfere in matters that concerned Congress.<sup>81</sup>

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of the fiscal reform proposed in April 1869 left the government without new sources of revenue. If approved, the new tariff would increase revenue, at least for the second semester of the 1870-1871 fiscal year. See Graciela Márquez, *El Proyecto Hacendario de Matías Romero*, working paper, El Colegio de México, Centro de Estudios Económicos, 1999.

<sup>80</sup> Benito Juárez, "Discurso Pronunciado por el Presidente de la República en la Apertura del Congreso de la Unión" in Juárez, *Documentos, discursos, y correspondencia*, vol. 14, p. 565.

<sup>81</sup> Congress, *Diario de los Debates*, 5<sup>th</sup> Congress, 3<sup>rd</sup> sess., 17 September 1870.

In a skillful parliamentary procedure, Congressmen Castañeda and Valente Baz argued that the tariff committee had the authority to make any modification it considered necessary. They proposed therefore, that Congress vote on the project in general, and, if the project failed, to send it back to the tariff committee for revision. On September 29, Congress approved the project in general, and the approval of each particular article ensued. As shown in Table A1.2. in the appendix, Articles 1 to 18 passed almost without objection. The controversy began with the discussion of the articles on bonded ports. On October 20, the majority rejected Article 19 which would have established them. As discussed above, bonded ports became controversial because they offered the chance to increase trade at a cost difficult to bear in times of reduced revenue. The establishment of bonded ports had the potential of augmenting trade receipts once they were in full operation. In the short run, however, their effect would be to lower revenue from foreign trade, because of the deferment of duty payments on merchandise stored at the ports.<sup>82</sup> Consequently, Congress dismissed Articles 20 to 36 after it rejected the establishment of bonded ports.

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<sup>82</sup> During the debate in Congress, Romero was invited to participate. He opposed the establishment of deposit ports because of their short-term disadvantage, adding that contraband was another undesired outcome of such ports. He hoped an improvement in the Treasury condition, especially a reduction in its dependence on foreign taxes, would eventually allow the establishment of deposit ports. See Congress, *Diario de los Debates*, 5<sup>th</sup> Cong. 3<sup>rd</sup> sess., 15 October 1870.

The next day the tariff committee decided to withdraw the bill's seventh chapter (Articles 41 to 51), for it implied the existence of bonded ports.<sup>83</sup> It is important to note that this chapter included the tariff schedule.

In November, Congress approved other articles regarding administrative procedures within custom-houses such as the free zone, shipment requirements, and the article excepting national products from paying any export duty (see Table A1.2. in appendix). By December Congress had dedicated a large part of its session to the discussion of the tariff bill, yet a substantial part, regarding import duties, was still pending.

For three months, Congress had favored discussions of the tariff over other issues.<sup>84</sup> By the end of its ordinary period, it had numerous unresolved bills demanding immediate action. On December 7, Congress therefore suspended discussions of the tariff bill; it seemed unlikely that a final resolution could be reached in the little time still available.<sup>85</sup> Tariff reform was then postponed once more. Table A1.2. in appendix shows that by December 1870, Congress had discussed and approved 32 of the bill's 103 of articles. Articles 32 to 38, which included import duty rates increased by ten-percent according to the summer's agreement between

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<sup>83</sup> Congressman Castañeda reported that the tariff committee had increased tariff rates by fourteen percent, assuming the existence of deposit ports. The rejection of deposit ports forced the committee to Chapter VII for revision. *Diario de los Debates*, 5<sup>th</sup> Cong., 3<sup>rd</sup> sess., 21 November, 1870.

<sup>84</sup> For instance, on November 5<sup>th</sup>, Congress resolved that Monday and Friday sessions would be exclusively devoted to the tariff bill discussion. *Diario de los Debates*, 5<sup>th</sup> Cong., 3<sup>rd</sup> sess, 5 November 1870.

the tariff committee and the Minister of the Treasury, remained unresolved. At that time, congressmen were not aware that Congress would have no say in issuing the new tariff because of economic and political events in the following months, leaving the completion of the customs law reform under the responsibility of the Ministry of the Treasury.

#### **4. The 1872 Tariff**

A highly unstable political situation prevented Congress from returning to the tariff issue during 1871.<sup>85</sup> In spite of Congress initial resolutions on the tariff reform, discussion regarding the pending articles did not resume in any of the ordinary session in 1871. Meanwhile, the customs law of 1856 was still in effect, but the prospect of modifications continued to reduce trade, and fiscal income deteriorated. By the spring 1871, this situation was so critical that Romero asked Congress for the complete suspension of tariff reform. It was his opinion that an indefinite

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<sup>85</sup> Congress, *Diario de los Debates*, 5 Cong., 3<sup>rd</sup> sess. 1870-1871, 5 December 1870.

<sup>86</sup> Presidential elections and the political struggle for and against the reelection of President Juárez absorbed most of the congressional sessions during the extraordinary period in March and the ordinary periods from April 1<sup>st</sup> to May 31<sup>st</sup>, and from September 15<sup>th</sup> to December 15<sup>th</sup>. In contrast to the Executive's insistence on the tariff issue in the past, during the opening speech of the ordinary session period of the Sixth Congress, President Juárez failed to mention the tariff among the pending issues. See Benito Juárez, "Discurso Pronunciado por el Presidente de la República en la apertura del VI Congreso de la Unión" in Juárez, *Documentos, Discursos y Correspondencia*, vol. 15, pp. 73-76.

extension of the reform process would only increase the fiscal costs, and turn into another source of political instability.<sup>87</sup>

When the approval of the new tariff seemed least likely, however, in the political crisis of 1871 --the original reason for the postponement of debate-- the president gained the opportunity to pass the reform. The political struggle that arose from Juárez's reelection gave birth to a series of protests and political uprisings all through 1871, the most important the revolt of *La Noria*, led by Porfirio Díaz.

To quell these rebellions, the government sent its troops into action in different parts of the country, thus expending more by far than approved for the years of 1870-1871 and 1871-1872. By the end of 1871 the government had won victories over the most important factions. But the political balance was still unstable, and the threat of a war of greater proportions remained. In November, the Juárez asked Congress for the use of extraordinary powers in the branches of treasury and war. Congress granted these powers on December 1, and allowing the Executive to approve or modify laws without Congress's authorization. In particular, in fiscal matters, the Executive received the power of "levying a

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<sup>87</sup> "The Executive's opinion is that, for the time being, the reform of the tariff must be put off, thus ending the state of uncertainty regarding this issue that has been prolonged for more than three years." Matías Romero, *Exposición que el Ejecutivo Federal dirige al Congreso de la Unión el 1º de abril de 1871 sosteniéndole un proyecto de la deuda pública y dándole cuenta del estado de la hacienda federal en el primer semestre del año económico cuadragésimo sexto* (México, Imprenta del Gobierno, 1871), p. 33.

tariff on resources, being able to levy taxes, and to make expenditures with the purpose of reestablishing and keeping public peace."<sup>88</sup>

While President Juárez held these extraordinary faculties, Romero was able to realize the tariff reform. Almost four years had gone by since President Juárez had formed the first Tariff Revising Commission and three since his failed attempt to obtain authorization from Congress to issue the new tariff. By the end of 1871, conditions were present for the completion of the long-awaited reform. Since the President could simply decree it. The discussions had taken more than three years, which had given the key sectors directly or indirectly involved plenty of time to make their points of view very clear. This factor also helped in issuing the tariff. Since the Minister of the Treasury knew how delicate and dangerous it could be to delay this issue further, he took action immediately.

On January 1, 1872, President decreed a new trade ordinance. Table 1.10 shows that the new tariff schedule increased the number of quoted goods to 775, featuring specific rates for most of the categories. In only 29 categories, tariff rates continued to be levied by appraisal whereas all imported drugs would be taxed at a 88% *ad valorem*.<sup>89</sup> The number of exempted commodities reached 63, more than in any of the

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<sup>88</sup> México, Congress, "Sobre facultades extraordinarias" in Dublán and Lozano, *Legislación Mexicana*, vol. 11, n. 6959, pp. 593-594.

<sup>89</sup> Tariff rates by appraisal contained only for a small group of commodities among which were ready made clothing (132 per cent, *ad valorem* rate), silk manufactures (55 per



previous proposals (see Table A1.1 in appendix). According to the instructions given in 1868 and ratified by Congress in 1869, prohibitions were completely eliminated, all charges on imports were reduced to one single rate, and the metric system was adopted.<sup>90</sup>

**Table 1.10**  
1872 Tariff  
(number of categories per group)

Groups	Specific rates	Appraisal rates	Ad valorem
Cottons	62	4	
Linen and hemp	52	3	
Wool	51	2	
Silk	29	6	
Admixture of various materials	9	1	
Groceries and food	101		
Glass and pottery	9		
Haberdashery and ironmongery	321		
Drugs and medicines			1
Sundry articles	103	11	
Carriages	9	2	
Total	775	29	1
Duty-free	62		

Source: See text.

Import duties adopted in the 1872 tariff reflected the long process of debate and discussion. It is interesting to note that in spite of Romero's preference for ideas proposed by Veracruz customs officials in 1869 and 1870, their recommendations were not completely included in the new tariff.<sup>91</sup> As is evident from Table 1.10, category definitions in the tariff

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cent, *ad valorem*), furniture (55 per cent, appraisal rate).

<sup>90</sup> However, rate denominations by pairs, mostly shoes, and dozens for some manufactured articles subsisted. See Mexico, SHCP, "Arancel de Aduanas Maritimas y Fronterizas," chapter VII in Dublán and Lozano, *Legislacion Mexicana*, vol. XX, pp. 9-39.

<sup>91</sup> Administrator José Antonio Gamboa gave recommendations on the Guzmán-

schedule issue by Romero in January 1872 differed greatly from the preceding tariff projects. The new schedule classified goods differently, changing definitions or units of measurement. More than 50 per cent of these categories were incompatible with the Guzmán-Castañeda categories and with those of the tariff bill of December 1869, whereas Gamboa's project featured 48.5 percent of categories incompatible with the classification adopted in 1872.

**Table 1.11**  
Comparison of Tariff Projects and the 1872 Tariff Schedule  
(number of categories)

Project	Non compatible Categories	Compatible		Categories	
		Higher duties	Lower duties	No change	Total
Guzmán- Castañeda	411 (53.03%)	297 (81.59%)	43 (11.81%)	24 (6.59%)	364
Gamboa	376 (48.52%)	312 (78.20%)	52 (13.03%)	35 (8.77%)	35
Tariff Bill 1869	393 (50.71%)	316 (82.72%)	50 (13.09%)	16 (4.19%)	382

Source: Table A1.3 in appendix

On the products that kept the same definitions, tariff rates remained the same in only a small fraction of the categories. For instance, only 16 out of 382 categories belonging to the tariff bill of 1869 reappeared unchanged in the 1872 schedule. Less than fifteen percent of

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Castañeda tariff project in January 1869. Between March and May of 1870, two employees from the Veracruz custom-house moved to Mexico City to coelaborate on the revision of the tariff bill. In addition, the merchant community from the port presented its own tariff proposal in November 1869.

compatible categories in each tariff project had lower rates in the schedule of 1872. Moreover, tariff rates turned out to be higher in the 1872 schedule than in the projects that preceded it, the tariff bill of 1869 again being the most significant case, with 82.7 percent of its categories having higher duties in the new customs law.

In the list of duty-free goods, the new tariff included almost all the commodities been proposed by the two Revising Tariff Commissions, Congress's tariff bill, and the Veracruz's merchant community (see Table A1.1. in appendix ). The duty-free list featured 12 products that had not been included in any of the previous projects; two of them, powder and steel bars for mines had been suggested by the proposal of Echeguren Hermanos and Pedro Font & Co. from Mazatlán.<sup>92</sup> The decree of the new tariff determined that the new duties would come into force as of the second semester of 1872, thus allowing a period of six months before the application of the reform. Some Congressmen, however, thought that Romero had committed a very serious error, for he had issued a permanent law that would come into force two months after the expiration of the extraordinary faculties.<sup>93</sup> Questioned as to whether issuing the tariff

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<sup>92</sup> See "Informe emitido por los Sres. P. Fort y Cia., y Echeguren Hermanos y Cia. del Comercio de Mazatlán sobre las reformas necesarias en los aranceles de Aduanas Marítimas y Fronterizas de la República Mexicana", in México, SHCP, *Expediente sobre un Proyecto de Arancel*, vol. I, 2<sup>nd</sup> part, p. 145.

<sup>93</sup> According to Payno, the extraordinary faculties granted the Executive were for "increasing the strength of the army and providing resources to fight the revolution." Instead, the government "ventured to dictate legislative resolutions of radical and

in January but delaying its coming into force until June was a fair exercise of Juárez's authorization to legislate, Romero answered that the government had acted according to what was foreseen in the faculties conferred by Congress on December 1, 1871. Despite the controversy, Romero in issuing the tariff had been very careful to observe the laws and specific resolutions allowing the President to legislate on tariff matters. Moreover, he insisted that the reform satisfied the need to increase public income in order to alleviate the precarious situation of public finances. Since there was indeed an increase in import orders during the first months of 1872, a period in which the previous tariff was still in effect, Romero argued that the new tariff had had the desired effect even before it came into force.<sup>94</sup>

Despite the efforts to reach an understanding between different interests, the new tariff was criticized from the very moment it was issued. Critics focussed on tariff rates and the new regulations. For example, the 1872 tariff schedule grouped all drugs in one category, fixing a tariff by

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permanent character that would not be enforced until Congress reassembled, two months after the expiration of the term of the extraordinary faculties, and when the revolution's danger of subverting constitutional order had disappeared." Manuel Payno, *Voto Particular del C. Manuel Payno, diputado por el Distrito de Tepic en la Cuestión de Presupuestos de Ingresos y Egresos para el año fiscal del 1º de julio de 1872 al 30 de junio de 1873* (México, Imprenta de F. Díaz de León y S. White, 1872), p.6.

<sup>94</sup> Mexico, SHCP, *Exposición que el Ejecutivo Federal dirige al Congreso de la Unión el 1º de abril de 1871 dándole cuenta del uso de las facultades extraordinarias que le fueron conferidas en diciembre 1o de 1871 y del estado de la hacienda federal en el primer semestre del año económico cuadragésimo sexto* (México, Imprenta del Gobierno, 1872), p. 23-27.

appraisal of 88 percent.<sup>95</sup> Carlos Feliany wrote to the ministry of the Treasury criticizing the 80 per cent *ad valorem* duty set on all drugs, suggesting instead to break up the group in categories. The level of tariff rates was also a concern for many. Even though the decree accompanying the new tariff had a warning on the effect of reducing all taxation to one single rate, new rates did not cease to surprise legislators and businessmen alike. The voices of discontent claimed that the changes had exceeded the limits established in the earlier negotiations. According to Romero, the reform aimed at establishing specific rates equivalent to twenty-five to thirty per cent *ad valorem* plus the surcharges paid by foreign merchandise (municipal, port improvement taxes, etc). Then, the *ad valorem* level should be between fifty-five and sixty-six percent.<sup>96</sup> However, contemporary accounts reported higher *ad valorem* tariff rates, ranging from sixty to eighty percent. Complaints were so intense that when Congress approved the budget for the fiscal year of

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<sup>95</sup> As discussed in Sections 1 and 2 of this chapter, Congressmen Prieto and Mejía had mentioned the difficulties of quoting individual drugs while Codes had used only two categories for of drugs. Yet, Gamboa had criticized the use of few categories for defining a wide range of products. Furthermore, the tariff bill of December 31, 1869, included 215 categories for the group of medicinal drugs. See México, SHCP, *Expediente sobre un Proyecto de Arancel*, *passim*.

<sup>96</sup> The surcharges totaled 120 percent of import duties. See Mexico, SHCP, Circular del Ministerio de Hacienda acompañando el nuevo arancel de Aduanas Marítimas y Fronterizas, in Dublán and Lozano, *Legislación Mexicana*, vol. XX, 1872, pp. 3-6.

1872-1873, it lowered import duties by ten percent, a reduction approved even before the new tariff came into force.<sup>97</sup>

Along with the tariff, Romero issued a new body of laws on administrative procedures and the operation of custom-houses. By contradicting some old practices, these laws gave birth to a fear of excessive federal regulation. From Veracruz, Gamboa was one of the first to criticize the regulations, because they modified the relationship between the employees of the customs-houses and the administrator. Later on, the administrators of the customs-houses of Tampico and Progreso also complained about the new customs procedures, arguing that they were unnecessary.<sup>98</sup>

At the beginning of the fiscal year 1872-1873, Romero retired from the Treasury, where he had been minister since 1867. His departure was because of health problems and a general change in Juárez's cabinet. The exhausting job he carried out as head of the ministry had taken its toll on his health, which had for long not been sound.<sup>99</sup> In reorganizing his cabinet, President Juárez named Francisco Mejía, then chief of

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<sup>97</sup> Congress, *Diario de los Debates*, 6 Cong., 2<sup>nd</sup> sess., 21 May 1872.

<sup>98</sup> For complaints on the new rules regarding employees see José Antonio Gamboa to Matías Romero, Veracruz, January 14 and 21, 1872, Matías Romero Papers, docs. 16665 and 16730. For complaints on customs procedures see J.A. Gamboa to Romero, Veracruz, April 16, 1872; J. Sánchez to Romero, Progreso, May 12, 1872, Matías Romero Papers; Mariano Salgado to Romero, Tampico, May 29, 1872, Matías Romero Papers, docs. 17872, 18195, and 18368.

<sup>99</sup> See Harry Bernstein, *Matías Romero: 1837-1898*, (México, Fondo de Cultura Económica, 1973), ch. 4.

Treasury's first section, as the new minister, a position he would hold until 1876.<sup>100</sup>

In spite of all the political changes, the new tariff came into effect as planned on June 1, 1872. A widely accepted perception of this tariff was its liberal character. Francisco Mejía, Romero's successor at the Ministry of the Treasury, wrote of the tariff as one of the most liberal since the country's Independence his contemporaries later ratified his opinion.<sup>101</sup> As for import duty paid, they contradicted this perception, remaining at an average level between 55 and 80%, which was still very far from the goals of free trade.<sup>102</sup> In fact, the liberal character of the tariff

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<sup>100</sup> Every member of the cabinet had presented an open resignation on November 1871, but it was not until June 1872 that President Juárez decided to reorganize his cabinet. Mejía succeeded Romero as Minister of the Treasury; Ignacio Mariscal was given the position of Minister of Mexico in Washington and José María Lafragua occupied his position as Minister of Foreign Relations; Gómez Palacio, who was Minister in Washington before, returned to the country as Minister of the Department of the Interior and substituted José María Castillo Velasco. Blas Balcárcel, Minister of Economic Development, and Ignacio Mejía, Minister of Defense, remained in their positions. Francisco Mejía, *Memorias*; Juárez, *Documentos Discursos y Correspondencia*, vol. XV, ch. CCCLX.

<sup>101</sup> In Carlos J. Sierra and Rogelio Martínez Vera, *Historia y Legislación Aduanera de México* (México, Boletín Bibliográfico de la Secretaría de Hacienda y Crédito Público, 1973), p. 152. In December 1872, Thomas H. Nelson, US plenipotentiary minister to Mexico, stated that "[Mexico] has reformed her vexatious fiscal legislation through a tariff comparatively liberal, in force since the past July 1<sup>st</sup>." quoted in México, SHCP, *Exposición de la Secretaría de Hacienda de los Estados Unidos Mexicanos de 15 de Enero de 1879 sobre la condición actual de México, y el aumento del comercio de los Estados Unidos rectificando el informe dirigido por el honorable John W. Foster...* (México, Imprenta de Gobierno en Palacio, 1879), p. 121. Macedo also emphasized the liberal traits of the 1872, see Pablo Macedo, *La Evolución Mercantil, Comunicaciones y Obras Públicas, la Hacienda Pública, Tres Monografías que dan idea de una parte de la Evolución Económica de México* (México, Facultad de Economía, UNAM, 1989, [1905]), pp. 84-93.

<sup>102</sup> According to Romero, 55% was the average tariff level of quoted goods, thus being 55% the *ad valorem* rate chosen for those goods not specified in the schedule. See

came rather from the simplification of customs procedures, and above all from the elimination of prohibitions and the growth of the duty free list.

## **5. Conclusion**

This chapter has shown that the promulgation of the 1872 tariff was far from being a simple legislative change. During the process of negotiation, two commissions failed to elaborate a proposal that conciliated fiscal needs with the interests and ideas of commercial policy. Congress' reluctance to grant on the government the faculty to reform the tariff was an expression of the context of institutional building, both economic and political, of the late 1860s and early 1870s. Ultimately, the ministry of the Treasury focused more on addressing the issues raised by different groups rather than imprinting a definitive orientation to tariff policy.

In this sense, the making of the tariff of 1872 was far from being a simple application of doctrines or principles aimed at a single purpose. On the contrary, the tariff schedule as it appeared in January 1872 combined various ideas and positions on the role of import duties as a source of revenue and as a protective device. Consultation with customs

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*México, SHCP, Exposición rectificando el informe dirigido por Foster*, p. 126. US consuls at Guaymas and Progreso, stated that the ad valorem tariff level was between sixty and eighty percent, while consul Trowbridge at Veracruz reported 73% on average. See U.S. Bureau of Foreign Commerce, *The Commercial Relations of the United States with Foreign Countries 1873* (Washington, GPO, 1874), pp. 828, 845, 863.



officials, foreign diplomats, and congressmen had been indispensable in achieving the balance between free trade advocates and protectionists. Neither of these groups claimed victory or defeat in 1872. Both could identify some of their ideas in the new tariff, while they completely disagreed with other parts of the customs law.

Table A1.1.  
List of duty-free goods in different Tariff Projects

Description	Guzmán- Castañeda	Gamboa January 1869	Codes	Prieto- Mejía	Veracruz Nov-69	Tariff Bill Dec-69	1872 Tariff
Alabaster, raw	X	X	X	X	X		X
Animals, alive or dissected, for reproduction or for natural history cabinets	X	X	X	X	X	X	X
Anvils							X
Apparatus for extinguishing fire	X	X		X	X	X	X
Arms, for the national guard, under the authorization of the Executive and state legislatures.							X
Barley						X	
Books, printed	X	X		X	X	X	X
Box wood, unwrought				X		X	X
Bricks, fireproof	X	X	X	X	X	X	X
Coal, of all kinds	X	X	X	X	X	X	X
Crucibles of all materials and sizes	X	X		X	X	X	X
Copper sulphate							X
Designs and patterns for the arts	X	X		X	X	X	X
Designs, of machinery, buildings, monuments and vessels.	X	X	X	X		X	X
Exotic plants			X				
Firewood	X	X	X	X	X	X	X
Fodder, dry	X	X	X	X	X	X	X
Fruit, fresh						X	
Fruits and legumes, fresh							X
Geographical, topographical and nautical charts.	X	X	X	X	X	X	X
Geological or natural history collections, for museum.	X	X	X	X	X	X	X
Guano	X	X	X	X	X	X	X
Houses, of wood and iron			X	X	X	X	X
Hydraulic lime	X	X		X	X	X	X
Ice			X				X
Ink, for printing	X	X	X	X	X	X	X
Iron cards for machinery				X		X	X
Iron tubing, of all dimensions							X
Knives, cane knives without sheath, scythes, sickles, rakes, shovels, pickaxes, spades, hoes, and mattocks, of iron or steel for agriculture.							
Legal currency, of gold or silver, of any nation	X			X	X	X	X
Letters, plates, vignettes, types, and other necessary articles for printing and lithography.	X	X	X	X	X	X	X

(continues)

Table A1.1.  
List of duty-free goods in different Tariff Projects

Description	Guzmán- Castañeda	Gamboa January 1869	Codes	Prieto- Mejía	Veracruz Nov-69	(concludes)	
						Tariff Bill Dec-69	1872 Tariff
Lithograph stones					X		X
Machinery and apparatus for industry	X	X	X	X	X	X	X
Maize			X				X
Maize flour							X
Marble slabs for floors	X		X	X	X	X	X
Marble, unwrought		X	X				
Masts for vessels	X	X		X	X	X	X
Natural history objects			X				X
Numismatical collections	X	X	X	X	X	X	X
Oars for small vessels							X
Oats in the grain	X					X	X
Paper, gummed and half gummed, for printing	X						
Plants, alive, and seed for agriculture	X	X		X	X	X	X
Plows and plowshares	X	X	X	X	X	X	X
Porphyry, unwrought			X				
Powder for mines							X
Precious metals, in bars, dust or paste	X	X	X	X	X	X	X
Quicksilver	X	X	X	X	X	X	X
Rags, for paper making	X	X	X	X	X	X	X
Rails, of iron and steel, for railways			X	X		X	X
Railway coaches and cars of all kinds							X
Salt, common	X		X	X	X	X	X
Saltpeter							X
Scientific instruments	X	X		X	X	X	X
Slate, for roofing			X		X		X
Steam engines and locomotives, and other articles necessary for the building of railroads.			X		X		X
Steel, in bars, for mines							X
Taxes							X
Timber, for building	X	X	X	X	X	X	X
Vaccine (Pus vacuno)							X
Vegetables, fresh			X			X	
Vessels, of all kinds					X	X	X
Whale oil and waste	X	X	X	X	X	X	X
Wheelbarrows and handcarts of one or two wheels.	X	X		X	X	X	X
Wicks and fuses for mines	X	X		X	X	X	X
Wire, for telegraphs	X	X	X	X	X	X	X
Wooden barrels in pieces			X				X
Wooden tubes for presses and typographical material	X	X		X		X	X
TOTAL	37	33	35	40	38	43	62

Source: Expediente sobre un proyecto de arancel, passim.

Table A1.2.  
Debate on Tariff Bill in Congress  
September - December 1870

Date	Article	Votes
September, 29	1 On ports of entry	115
	2 On internment	116
September, 30	3 On internment	114
	4 On Jurisdiction	114
	5 On pilotage fees	90 vs 15
	6 On tonnage fees	118 vs 15
	7 On payments at a single port	114
	8 On forced arrivals	114
October, 1	9 On exceptions for national vessels	113
	10 On passenger arrival	115
	11 On Captain, cargo and passenger's documentation	67 vs 53
	12 On documentation and seals	114
	13 On baggage inspection	118 vs 1
	14 On exceptions for foreign representatives	118 vs 1
	15 On franchises for colonists	113
	16 On rules for patents	113
	17 On unloading petition	114
	18 On unloading permission	116
October, 20	19 On deposit ports	Rejected, 80 vs 62
	20 to 26 On deposit ports	Dismissed by the tariff committee
October, 21	37 On shipment petition	112
	37 On inspection	112
	39 On bulk signaling	Rejected, 78 vs 44. After modification aproved, 105 vs 10
	40 On duty reduction	117
	41 to 51	Tariff commission asked for temporal suspension until revised
October, 24	52 On duty-free goods	115
November, 5	53 On the free zone	Approved after modification, 85 vs 37
	54 On the rules for the free zone	Dismissed by the tariff committee
	55 On merchandise notification before its internment	113
	56 On cargo custody	115
	On shipment and duty payments	
	57 for importatin by sea	114
	On internment petition and	
	58 shipment	114
	59 On shipment of ballast boats	115
November, 7	60 On duty-free exportation of national products	113
	61 On the exemption of silver	Dismissed by the tariff committee
November 21 and 29,	41 On the prohibition to states of mucipalities to tax imports	Pending

Source: Diario de los Debates, 5th. Cong. 3rd. Sess.

**Table A1.3.**  
**Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill**

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
4	Embroideries of cotton or linen, of all kinds, in stripes	55.00	40.00	40.00
5	Scarfs	0.16	1.75	0.20
6	Cotton socks for adults	1.00	0.50	0.80
7	Cotton socks for children	0.66	0.25	0.40
10	Drawers and undershirts of cotton of	1.50	1.50	1.50
11	Cotton shirts, white or colored, for adults	4.00	-	4.00
12	Cotton shirts, white or colored, for children	2.00	-	2.00
13	Cotton shirts, plain or embroidered, with bosoms, cuffs and collars of linen, for adults	7.00	-	7.00
14	Cotton shirts, plain or embroidered, with bosoms, cuffs, and collars of linen, for children	3.50	-	3.50
15	Cotton shirts, plain or embroidered, for ladies	7.00	-	7.00
16	Cotton shirts, plain or embroidered, for girls	3.50	-	3.50
17	Canvas, of all kinds	0.57	0.60	0.50
18	Jackets of stoking net, white or colored, plain or velvety	8.00	3.00	3.00
19	Ribbons and braids of cotton, white or colored	2.00	1.50	1.50
20	Coverlets, of all kinds	0.16	0.15	0.15
21	Cotton cravats	0.25	0.25	0.25
23	Corsets for girls	3.00	3.00	3.00
24	Corsets for ladies	6.00	6.00	6.00
28	Cotton petticoats, in body, embroidered	7.00	7.00	-
32	Bonnets or caps of cotton of stocking net, white or colored, for adults or children	2.00	1.50	0.70
33	Cotton gloves, of all sizes and colors	1.00	0.50	0.50
34	Cotton yarn, bleached or unbleached	0.60	0.35	0.40
35	Cotton yarn, of all colors	0.96	0.55	0.60
36	Cotton thread, in spools, up to 275 meters each	0.14	0.10	0.10
37	Cotton thread, in hanks or balls	1.43	1.25	1.25
38	Cotton thread, smoothed for rebozos	1.43	1.25	1.00
39	Cotton cloth, ordinary, white, colored or dyed, as marrañaque and those of these class.	0.09	-	0.10
40	Cotton cloth, bleached or unbleached, plain	0.09	-	0.10
41	Cotton cloth, bleached or unbleached, serged and twilled	0.16	-	0.10
42	Cotton cloth, white, colored or dyed, serged, damasked or velvety	0.16	-	0.10
43	Cotton cloth, white, colored or bleached	0.16	-	0.10
44	Cotton cloth, colored, known as "zarazas" or "indianas"	0.14	-	0.10
45	Cotton cloth, white or colored, embroidered or open-worked	0.19	-	0.10
46	Cotton garters, of all kinds with buckles	0.57	-	0.57
47	Hose of cotton or wool, white or colored	1.43	1.50	1.50
48	Cotton stocking, of all kinds and colors, for adults	1.76	0.80	1.00
49	Cotton stockings, of all kinds and colors, for children	0.66	0.25	0.25

(continues)

Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
50	Cotton wicks, for lamps	0.28	0.25	0.30
54	Cotton handkerchiefs, white, embroidered or open-worked with or without laces with, up to 50 cm by side	2.11	3.00	2.00
57	Cotton shawls, not including the fringes	0.16	0.15	0.15
58	Cotton umbrellas, parasols and sunshades	0.55	0.50	0.50
59	Cotton passementerie	2.00	1.50	-
60	Shirtfronts, of all kinds	0.50	0.30	0.50
61	Cotton point lace, of all kinds	6.00	3.00	4.00
63	Cotton elastic web, for shoes and other uses	0.57	0.75	0.50
64	Ready-made clothing of cotton, not specified	132.00	132.00	40.00
67	Carpets and rugs, of hemp or tow	0.16	0.12	0.14
68	Embroideries of linen, of all kinds, in stripes	55.00	40.00	40.00
69	Sailcloth	0.12	0.10	0.10
70	Linen or hemp socks, for adults	1.00	0.50	0.80
71	Linen or hemp socks, for children	0.66	0.25	0.40
74	Linen shirts, plain, white or colored, for adults	15.00	12.00	12.00
75	Linen shirts, plain, white or colored, for children	8.00	6.00	6.00
80	Cambric linen	0.39		0.30
81	Tow, even with admixture of sisal or jute	0.11	0.10	0.05
82	Hemp	0.06	0.04	0.04
83	Canvas of linen or hemp	0.57	0.50	0.50
84	Ribbons and braids of hemp or linen, white or colored	2.00	1.50	1.50
85	Linen cravats	0.50	0.15	0.50
90	Linen petticoats, in body, embroidered or not	15.00	15.00	-
92	Tow-hemp	0.12	0.05	0.05
93	Mats of hemp and palm leaf	0.12	0.10	0.10
94	Cotton caps for children	2.00	0.25	2.00
95	Bonnets or caps of linen, of stocking net, white or colored	2.00	1.50	0.70
96	Linen gloves, of all sizes and colors	1.00	0.50	0.50
97	Coarse thread of linen or hemp, white or colored	0.12	0.09	0.10
98	Linen or hemp yarn, white or colored	0.12	0.15	-
100	Hemp thread, in hanks or balls	0.15	0.15	0.15
102	Linen thread, in hanks or balls	2.16	1.25	1.25
103	Linen thread, smoothed for rebozos	2.16		1.00
104	Linen in fleece	0.07	0.04	0.04
105	Hemp cloth, raw, white or colored	0.11		0.15
106	Linen cloth, raw or white, up to 30 threads in warp and woof in a square of 5 mm. side	0.16		0.15
107	Linen cloth, white or colored, up to 30 threads in warp and woof in a square of 5 mm. side	0.22		0.15
108	Linen cloth, plain, colored, stripped	0.16		0.15
109	Linen or hemp cloth, white or colored, serged, velveteed	0.22		0.15
100	Linen cloth, raw, white or colored, embroidered or open-worked	0.34		0.15

(continues)

Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
111	Linen garters, of all kinds, with buckles	0.57	0.50	0.50
112	Linen stocking, of all kinds, for adults	1.76	0.80	1.00
113	Linen stockings, of all kinds and colors, for children	0.66	0.25	0.30
116	Linen handkerchiefs, embroidered, net worked or with lace trimmings	4.50	3.00	3.50
117	Linen umbrellas	0.75	0.50	0.50
118	Linen shirtfronts, plain, of all kinds	1.50	1.00	1.00
120	Linen stocking net	8.50	4.00	5.00
122	Ready-made clothing, not specified	132.00	4.00	40.00
123	Woolen carpets, of coarse woolen cloth, plain or serged	0.63	0.50	0.50
124	Woolen carpets with uncut curly shag	0.95	0.80	0.80
125	Woolen carpets of cut or velveteed shag	1.40	1.25	1.25
128	Woolen slippers, in body, of all kinds	0.57	2.00	2.00
133	Woolen embroideries	55.00	40.00	40.00
134	Woolen neck scarfs, plain or printed	0.22	2.50	-
136	Woolen stockings, for adult	1.06	0.50	0.60
137	Woolen stocking, for children	0.77	0.25	0.40
138	Drawers and undershirts of wool of stocking net	1.60	1.50	1.50
139	Woolen shirts, with or without trimmings of silk or other materials	9.00	9.00	-
140	Cassimere, thick or thin, with woolen warp and filling, of all colors	1.40	1.20	1.20
141	Woolen table covers, plain or serged, of all colors	0.62		0.62
142	Woolen table covers, damasked, corded, velveteed, of all colors	0.70		0.70
144	Woolen jackets, of stocking net, of all kinds, for adults	12.00	5.00	5.00
145	Woolen jackets, of stocking net, of all kinds, for children	6.00	2.50	2.50
146	Ribbons and braids of wool, white or colored	2.66	1.50	1.50
147	Woolen coverlets and bedspreads, of all kinds	0.16	0.15	0.15
148	Woolen cravats	0.50	0.50	0.50
149	Wool corsets, for ladies	6.00	6.00	-
150	Woolen corsets, for children	3.00	3.00	-
152	Woolen yarn	1.72	1.50	1.50
153	Woolen felt	0.20	0.30	0.30
156	Bonnets or caps of wool of stocking net, for adults and children	2.00	1.50	0.70
157	Woolen gloves, of all sizes	1.00	0.75	0.75
159	Woolen Coarse thread, of all kinds and colors	1.72	1.50	1.50
160	Wool in fleece	0.12	0.09	0.05
161	Carded wool	0.18	0.50	-

(continues)

Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
162	Woolen cloth, light, white or colored, similar to muslims	0.22	-	0.20
163	Woolen cloth, light, white or colored, serged, striped or embroidered, printed, of all colors	0.28	-	0.20
164	Woolen cloth for furniture as damask, reps, etc	0.35	-	0.20
165	Woolen cloth, plain, serged, twilled, except those specified	0.80	-	0.20
166	Woolen hose, of all kinds	1.43	1.50	1.50
167	Woolen stockings, of all kinds and colors, for adults	1.76	0.80	1.00
168	Woolen stockings, of all kinds and colors, for children	0.77	0.25	0.30
169	Woolen cloth with woolen warp and woof, of all kinds and colors, plain, striped or with patterns	1.56	0.65	0.70
170	Woolen shawls, of all colors, plain, serged or embroidered, without including the fringes in the measurement	0.38	0.30	0.30
173	Plaids not being of cassimere	0.38	-	0.35
176	Ready-made clothing not specified	132.00	132.00	40.00
178	Silk crepe, in pieces	9.56	8.00	8.00
179	Spanish blonds and laces of silk and imitations	34.41	12.00	15.00
181	Silk neck scarfs	14.34	12.00	10.00
183	Silk table covers and coverlets, plain or embroidered	14.34	-	14.34
184	Ribbons and braids of silk of all kinds	14.34	12.00	12.00
187	Fringes of silk	14.34	12.00	-
188	Fringes of silk of trimmings not being of fine metal	55.00	55.00	-
193	Silk thread, in spools	8.60	6.00	7.00
195	Mantillas of silk Spanish laces	35.20	35.20	35.20
197	Silk knots, for ladies shoes, without ornaments of fine metal	55.00	55.00	55.00
200	Silk sawls, with or without fringes,	14.34	12.00	-
202	Silk umbrellas, parasols and sunshades	1.65	1.50	1.00
203	Ruffings, fringes and silk nettings, without gilt or silver plated metal	14.34	12.00	-
204	Ruffings, fringes and silk nettings, with trimmings of gilt or silver plated metal	55.00	55.00	-
205	Silk point lace, plain or embroidered	28.68	12.00	-
207	Elastic web of silk and rubber, for shoemakers and other uses	1.25	1.25	3.00
208	Ready-made clothing, not specified	132.00	132.00	40.00
209	Silk, raw, of all kinds	1.91	1.00	1.50
210	Silk, twist	8.60	6.00	6.00
211	Silk, floss	5.73	4.00	4.00
212	Manufactures and cloth of silk, except the specified	14.34	-	12.00

(continues)



Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
213	Cotton cloth with admixture of silk, plain or stamped, with small admixture of metals, not being gold or silver	0.20	-	0.20
214	Cotton and linen cloth, with admixture of silk in whatever proportion, plain or stamped, with small admixture of metals, not being gold or silver	0.22	0.12	0.22
215	Cotton and woolen cloth, with admixture of silk in whatever proportion, plain, stamped or embroidered with a small admixture of metals, not being gold or silver	0.25	0.20	0.25
216	Cotton, linen and wool cloth, with admixture of silk in whatever proportion, plain, stamped or embroidered, with a small admixture of metals, not being gold or silver	0.27	-	0.27
217	Linen cloth, with admixture of silk in whatever proportion, plain, stamped or embroidered, with a small admixture of metals, not being gold or silver	0.25	-	0.25
218	Linen and wool cloth, with admixture of silk in whatever proportion, plain, stamped or embroidered, with a small admixture of metals, not being gold or silver	0.30	-	0.30
219	Woolen cloth, with admixture of silk in whatever proportion, plain, stamped or embroidered, with a small admixture of metals, not being gold or silver	0.35	-	0.35
220	Silk cloth, with admixture of cotton, linen or wool, plain, twilled, velvete or embroidered, with a small admixture of metals, not being gold or silver	7.17	-	7.17
221	Silk cloth with metals not being gold or silver.	55.00	-	55.00
222	Silk and cotton cloth, with metals not being gold or silver.	55.00	-	55.00
223	Cloth of any material excepting silk or metal, not specified	55.00	-	55.00
224	Olive oil, in earthen jars or tin boxes	0.14	0.10	0.10
225	Olive oil, in glass bottles	0.19	0.15	0.19
226	Olives in brine	0.09	0.04	0.05
227	Olives, stuffed or in oil	0.10	-	0.10
228	Gin in bottles, jars or demijohns	0.48	0.37	0.40
230	Arrack, rum, kirshwasser in bottles, demijohns or jars	0.57	0.45	0.40
233	Whiskey in barrels	0.38	0.30	-
234	Brandy of grape or anisid-wine, in bottles, demijohns or jars	0.38	0.25	0.30
235	Brandy of grape or anisid-wine, in wooden containers	0.38	0.15	0.25
236	Brandy of sugar cane or other materials not specified, in bottles, demijohns or jars	0.38	0.12	0.20
237	Brandy of sugar cane or other materials not specified, in wooden containers	0.38	0.45	-

(continues)

Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
238	Spirits of wine in whatever kind of packing	0.75	0.04	0.40
239	Capers, pickled or in brine	0.10	-	0.05
243	Almonds, bitter and sweet, without shells	0.20	0.15	0.15
244	Almonds, bitter and with shells	0.10	0.07	0.07
245	Starch of all qualities	0.07	0.02	0.05
247	Indigo of all kinds	1.25	1.00	1.00
248	Rice	0.07	0.04	0.05
249	Saffron, dry or in oil	3.82	2.00	2.00
250	Ordinary sugar, of all kinds	0.10	-	0.10
251	Refined sugar	0.15	0.20	0.20
252	Pitch and tar	0.03	-	0.05
253	Dried or smoked codfish or any other fish so prepared	0.10	0.04	0.10
254	Cocoa of Guayaquil, Para and Islas	0.12	0.09	0.10
255	Cocoa of Carupano	0.18	-	0.15
256	Cocoa of Maracaibo, Caracas or any other of fine quality	0.24	0.18	0.06
257	Coffee	0.10	0.06	2.40
258	Cinnamon of all kinds and qualities, including cassia	2.40	0.80	1.00
259	Fish and meat, preserved of all kinds in sauces or dry	0.72	0.25	0.72
260	Wax, white or brownish	0.63	0.40	-
261	Virgin wax	0.57	0.35	-
262	Beer and cider in bottles	0.20	0.10	0.10
263	Beer and cider in barrels	0.10	0.05	0.05
265	Cloves	0.60	0.10	0.20
266	Cumin	0.07	0.04	0.05
267	Barley, not being pearl barley	0.03	-	0.05
274	Dry fruits	0.05	0.08	0.05
275	Fruits in their own juice	0.50	0.40	0.30
276	Fruits in alcohol, wine or liquor	0.72	0.45	0.40
277	Cookies of all kinds	0.12	0.06	0.10
279	Wheat flour	0.10	0.05	0.06
280	Tin plate of all kinds	0.14	0.10	-
281	Soap of ordinary quality without odor	0.15	0.06	-
282	Sausages (butifarras) in any kind of packing	0.24	0.15	0.15
283	Syrups, which are not medicinal, including breakage	1.00	1.50	-
284	Liquors in bottles or jars	0.23	0.15	0.20
286	Hops	0.18	0.15	0.15
287	Lard	0.18	0.05	0.07
288	Butter	0.24	0.15	0.15
289	Honey or molasses	0.07	0.05	0.05
290	Mustard in powder or prepared in sauce	0.46	0.25	0.30
291	Potatoes	0.02	0.01	0.01
292	Brown paper and paper for packing	0.07	0.05	0.05

(continues)

Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
293	Marbled, glazed and colored paper for bookbinders	0.17	0.10	0.10
294	Tissue paper, white or colored	0.19	0.15	0.15
295	Paper for stamping crockery	0.16	0.13	0.10
296	Gummed and half gummed paper for printing	0.10	-	0.05
297	Cap and half cap paper, ruled or unruled, including paper for cigarette	0.29	0.15	0.20
298	Paper, white or colored, for accounts and letters, ruled or unruled, with or without gilt edges	0.43	0.25	0.25
299	Drawing and Bristol paper, white or colored	0.43	0.25	0.25
300	Wall paper, gilt, silvered or velvete	0.14	0.10	0.20
301	Wall paper, ordinary, colored.	0.10	0.05	0.10
302	Albumen paper of all kinds	0.43	0.20	0.20
303	Engraved or lithographed paper for packing and labels	0.43	0.40	0.50
304	Paper, gilded or silvered on the surface, for ornaments	0.20	0.10	-
305	Ruled paper for music	0.24	0.25	0.25
306	Blotting paper and paper for copying in presses	0.13	0.40	-
307	Paper, impermeable for copying books	0.07	0.40	-
308	Enamelled paper	0.43	0.15	-
309	Nutritious pastes	0.05	0.05	0.05
311	Pepper, fine and ordinary	0.23	0.08	0.10
313	Cheese of all kinds	0.14	0.10	0.10
314	Salt, common or table	0.05	0.01	-
315	Fish, salted, in brine or in oil, of all kinds, including tunny and sardines in tomato and in butter	0.14	0.10	0.10
316	Tallow of all kinds	0.06	0.05	0.05
317	Tea, all kinds	137.00	0.40	-
318	Wheat	0.04	-	0.03
320	Vinegar in bottles, demijohns and jars	0.10	-	0.10
321	Vinegar in barrels	0.05	0.03	0.05
322	Red wine of all kinds, in bottles, demijohns or jars	0.14	0.15	0.15
323	Red wine of all kinds, in barrels	0.10	0.10	0.10
324	White wine of all kinds in bottles, demijohns or jars	0.23	0.15	0.15
325	White wine of all kinds in barrels	0.17	0.10	0.10
326	Glass or crystal manufactured in all forms, kinds and sizes	0.17	0.12	0.20
329	Demijohns and jars, all sizes	0.04	1.00	0.04
333	Flat glasses of all kinds and colors	0.24	0.18	-
338	Steel	0.06	0.04	0.06
343	Darning needles from numbers zero to five zeros, for crochet, bookbinders, upholsteres, eyelet or others, of more than 5 cm. in length	0.43	0.35	0.40
344	Needles for packing of all sizes	0.29	0.25	0.25

(continues)

Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
348	Wire of iron and steel	0.10	0.08	0.08
349	Wire of brass and copper	0.29	0.25	0.25
352	Albums, fine quality with bindings and covers with ivory, shell, pearl or velvet, with or without gilt or silver plated ornaments	1.15	1	-
353	Albums, ordinary with or without photographs	0.86	1	-
359	Mortars of composition, porcelain, marble or porphyry	0.12	0.1	0.10
360	Mortars of iron	0.10	0.08	0.08
361	Mortars of brass or copper	0.19	0.15	0.15
365	Opera glasses and spyglasses, with or without boxes	1.15	1	-
366	Eye glasses, which are not set in gold or silver	1.15	1	-
367	Eye glasses without setting, known by numbers 6 and 8, in small ordinary boxes	0.29	0.25	0.25
371	Lamps, chandeliers, candelabras of metal gilt or silver plated	1.00	-	0.29
376	Steel weapon, of steel and brass, plain, damasked, engraved, blued or open, not being gilt or silver plated	0.19	0.15	0.15
377	Steel weapons, fine quality, with hilt, scabbard or chape gilt or silver plated	0.90	0.8	-
378	Fire arms of all kinds and their loose keys, with or without boxes	0.80	0.15	0.50
379	Fire arms, ordinary, as rifles, shotguns, carabines or pistols of iron and brass, with one or more shots, and their loose keys	0.19	0.15	0.15
380	Manufactures of amber, meerschaum, jet, agate, shell, pearl and ivory, not specified	1.15	1	-
381	Manufactures of leather not specified	0.86	0.35	-
382	Manufactures of iron, tinned iron, tin plate and steel, not specified	0.24	0.15	0.15
383	Manufactures of bone or whalebone, not specified	0.29	0.25	-
384	Manufactures of brass, copper, pewter or zinc, not specified	0.36	0.25	0.25
385	Manufactures of rubber or wood no specified	0.29	0.25	-
386	Manufactures of gilt metal, not specified	1.15	1	1.00
387	Manufactures of electroplated or silver plated metal, not specified	0.86	1	1.00
388	Manufactures of straw and willow, not specified	0.43	0.35	-
390	Strops and mineral paste for razors	0.43	0.35	-
391	Beams for scales and steelyards of iron, copper or brass, and their weights	0.29	0.25	0.30
394	Whalebone, unmanufactured	0.19	0.15	-
395	Walking sticks and whips of all kinds, the handles not being of gold or silver	0.86	1.5	-
398	Willow for furniture	0.18	0.15	-
399	Anvils	0.10	0.05	-

(continues)

Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
404	Blacking and patent leather for shoes	0.19	0.15	-
408	Buttons of iron, brass, porcelain, glass and wooden, with screws for chest and doors	0.24	0.15	0.15
411	Buttons woven or covered with webs, not being of silk	0.29	0.60	-
413	Brushes and paintbrushes of all kinds and for all uses	0.29	0.25	0.25
417	Chains of iron	0.10	0.50	0.05
419	Chains for watch, of all materials, except of gold and silver	0.86	-	0.75
421	Boxes of paints, of all kinds and sizes	0.29	0.25	0.25
422	Boxes for snuff, matches, cigarettes or cigars, of ordinary metals, excepting gilt or silver plated; of leather, cardboard, horn, or iron safes	0.57	0.75	-
424	Boxes or small cases for jewelry	0.19	-	0.15
425	Beds and bedsteads of iron	0.86	1.00	-
426	Beds and bedsteads of brass with iron	0.19	0.15	0.15
427	Brass candlesticks, not gilt or silver plated	0.29	0.25	0.25
431	Capsules for bottles	0.19	0.25	0.25
434	Masks of all kinds, excepting those of wire	0.29	0.40	0.25
436	Caps and fulminants of all kinds	0.20	0.25	0.25
442	Sieves and sifters of wire	0.43	0.35	0.35
443	Brushes, ordinary, for horses, shoes and pavements	0.19	0.15	0.15
444	Brushes for table, cloth, hair, tooth, nail and hats, set in wood, bone, horn or india	0.19	0.15	0.15
445	Brushes, for table, cloth, hair, tooth, nail and hats, set ivory, pearl, shell and gilt or silver plated metal	0.29	0.25	0.75
446	Hog bristles for shoemakers	0.86	0.75	-
447	Locks of iron or brass, and their loose keys	0.29	0.25	0.20
449	Cut and moulded beads and false granats	0.29	-	0.25
451	Beads of all kinds, not being cut or polished, and the rosaries made out of	0.29	-	0.25
452	Trays of all sizes, of iron, copper, brass, wood or paper	0.19	-	0.15
453	Chimneys, stoves, and furnaces of iron, with accessories and brass ornaments	0.29	-	0.25
454	Belts of all kinds, with buckles, neither of silver or gold, not specified	0.29	-	0.15
456	Nails of copper, zinc, brass, iron with heads of brass, glass or porcelain	0.43	0.35	0.35
459	Iron nails of all kinds and sizes	0.29	-	0.25
460	Copper in sheets	0.12	0.10	0.10
461	Fireworks, chinese	0.33	0.25	0.25
462	Glue-mouth	0.62	1.00	0.50
463	Fine coral, manufactured or not	0.29	0.25	0.25
464	Cork, unprepared or in sheets	3.60	-	2.00
465		0.06	0.05	0.05

(continues)

Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
467	Lattices and Venetian blinds painted in oil	0.29	0.25	-
468	Chalk for billiard cues	0.25	0.15	0.15
475	Forks and table knives with handles of pearl, or gilt or silver palted metal	1.15	1.00	1.00
476	Forks and table knives with ivory handles	0.86	1.00	-
477	Forks and table knives with handles of bone, wood or horn	0.19	0.15	0.15
478	Beads, buttons, imitation pearls, and voile beads of all kinds	1.15	1.00	1.00
479	Beads of ordinary metal	0.15	1.00	1.00
480	Strings of all kinds and materials for musical instruments	0.30	0.40	0.40
481	Thimbles, not gilt or silver plated	0.29	0.25	0.25
484	Set diamond for cutting glass	0.57	0.50	0.50
487	Enamel in sheets or cut	0.86	0.75	0.75
488	Emery in powder	0.07	0.05	0.05
489	Mirrors, with or without frames, of more than 30 cm. on one side	0.43	0.40	0.40
490	Mirrors, with or without frame, up to 30 cm on each side	0.19	0.15	0.20
491	Sponge, fine quality for toilet	1.15	4.00	-
492	Sponge, ordinary quality	0.29	0.50	-
495	Wooden pegs for shoes or other uses	0.10	0.08	-
496	Prints, paintings, engravings and photographs, of all sizes with of without frame	0.57	0.50	-
497	Tin in blocks	0.29	0.10	0.15
498	Tin in sheets	0.32	0.25	2.25
499	Mats of China	0.25	0.20	-
500	Stereoscopes of all kinds and materials	0.60	0.50	0.50
504	Cases of all kinds, with fittings and ornaments, not being gilt or silver plated	0.86	0.75	-
508	Corrugated iron for roofs	0.10	-	0.08
509	Iron, raw, round, flat, square and of Biscay, of all qualities	0.05	-	0.04
510	Pig iron	0.03	0.03	0.04
511	Iron, manufactured in columns	0.29	0.25	-
512	Iron, manufactured in grates for balconies and windows	0.29	0.25	-
513	Iron in sheets, forged, hoop and cast	0.10	0.06	0.08
518	Fleams	0.43	0.35	0.35
519	Foils (for fencing) with or without handles	0.43	0.35	0.35
520	Matches of wax or wood, tinder and fosphoric pasteboard	1.15	1.00	-
521	Flasks of metal or glass, covered with leather, willow or rubber	0.29	0.25	0.35
523	Hand bellows for chimneys, pianos and other uses	0.29	0.08	0.25
524	Bellows for forges	0.10	0.25	0.08
526	Galoon of white or yellow metal, gilt or silver plated metal	2.38	2.00	2.00

(continues)

Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
527	Silver galoons with pattern on one side or both	12.00	5.00	6.00
528	Galoon of gilt silver with pattern on one side or both	14.00	-	6.00
530	Glue in liquid for offices	0.29	0.25	0.25
537	Buckles of all kinds, for dresses, shoes, braces, cravats, and other uses, not being gilt or silver plated	0.29	0.35	-
538	Tools and instruments of iron, brass, steel or wooden, for artisans	0.19	0.15	0.10
539	Sword blades and other pieces for them without being gilt or silver plated	0.43	0.35	0.40
540	Musical instruments of all kinds not specified	0.43	0.35	0.30
541	Ropes, all kinds	0.12	0.06	-
542	Bird cages	0.29	0.25	-
543	Syringes of all materials, except of gold or silver, in or without boxes, and the loose pieces	0.29	0.25	0.25
544	Games as chess, checkers, dominoes, draughts, lottery, etc of cardbone, bone or wood and their boards	0.29	0.25	-
545	Games as chess, checkers, dominoes, draughts, lottery, etc of ivory or pearl and their boards	0.86	1.00	-
546	Toys of all kinds and materials	0.40	0.25	-
547	Sealing wax	0.86	0.75	-
550	Brass in sheets	0.29	0.25	0.25
551	Mechanical pencils, except of gold or silver	0.57	0.50	0.50
552	Pencils of all kinds	0.19	0.15	-
553	Brass in rods, of more than 5 milimeters in diameter	0.19	0.15	0.15
555	Lenses of one glass in pasteboard boxes, known by numbers 1, 2 and 3	0.29	0.25	0.25
556	Thread-counter, not set in gold or silver	1.15	1.00	1.00
557	Books of paper, with or without lines, of all sizes, bound in common board	0.86	0.25	-
558	Books bound in pearl, shell, ivory, metal, velvet, or other materials	1.15	1.00	-
559	Iron jackscrews	0.10	0.05	0.05
561	Faucets of copper, bronze, brass, tin, zinc, or wood	0.19	0.15	0.15
562	Keys for watches, of all sizes, except of silver or gold	0.57	0.50	0.50
563	Wrenches of iron, brass, copper or "plaque", for coaches	0.29	0.25	0.25
567	Frames and settings of wood, gilt or not	0.43	0.40	-
569	Rushlights for candlescreens	0.29	0.25	-
571	Burners, except of gold or silver	0.29	-	0.35
572	Medals and crosses except those silver plated or gilt	0.29	0.35	-
573	Measures of all kinds and materials	0.29	-	0.30

(continues)

Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
574	Mills for coffee and paints	0.19	0.15	-
576	Springs and axletrees for coaches	0.12	0.10	0.10
578	Powder flasks, munition bags, and sacks for hunters	0.43	0.50	-
579	Knives-gardener's	0.19	-	0.40
580	Razors with handles of horn, bone or wood, with or without cases	0.29	0.70	0.29
582	Penknives and knives with handles of pearl, ivory, shell, gilt or silver plated metal	1.15	0.40	-
585	Wafers, ordinary	0.43	0.40	-
587	Tinsel	0.86	0.35	1.50
588	Leafgold imitation	0.43	-	0.35
589	Leafgold, fine, in leaves to 11 cm. each side	4.00	4.00	5.00
591	Flint glass paper and emery cloth, known as sand paper	0.05	0.05	0.05
594	Combs of Chinese wood, of all kinds	0.23	0.25	-
596	Combs of japanned iron, horn, india-rubber, bone or wood, with or without ordinary metal	0.29	0.25	0.29
597	Door bolts of all kinds	0.29	0.25	0.25
598	Grindstones	0.03	0.02	-
599	Cast stones	0.12	0.08	-
600	Sparkling stones	0.10	0.05	-
603	Smoking pipes of wood or gypsum	0.25	0.75	-
607	Irons for laundresses, hat makers and taylor's	0.10	0.05	0.05
609	Electroplated silver ("plaque") metal and German silver in plates	0.29	0.25	0.25
610	Leafsilver of imitation	0.29	0.25	0.26
612	Quills	2.20	2.00	-
613	Pens of whatever metal, except gold or silver	0.86	0.75	0.50
614	Feather dusters	0.29	0.25	-
615	Gun powder for hunters	2.00	2.00	-
616	Bronze powder	1.15	1.00	1.00
619	Penholders of all kinds, except of gold or silver	0.29	0.25	-
622	Ferules and handles for stikcs, excpet of gold and silver	0.86	0.75	0.75
626	Traps for animals	0.19	0.15	0.15
627	Clocks, fine quality, excepting of gold and silver	0.86	0.75	0.75
628	Clocks, ordinary, with or without wooden boxes	0.29	0.25	0.20
633	Billiard cues with tips	0.43	0.40	-
634	Cover victuals of iron wire	0.29	0.25	0.25
639	Scissors of forged steel, of less than 14 cm. in length	0.86	0.75	0.75
640	Scissors of forged steel, of more than 14 cm. in length	0.29	0.25	0.25
641	Scissors of cast steel, of all sizes	0.19	0.15	0.15
642	Writing ink in earthen, glass or crystal bottles	0.29	0.10	-

(continues)



Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
643	Writing ink in wooden casks	0.19	0.20	0.10
645	Inkstands of all materials, except of gilt or silver plated metal	0.29	-	0.25
648	Corkscrews of all kinds	0.43	0.40	0.40
652	Iron vices	0.10	0.05	0.05
655	Candle screens (or lamp shades) with or without frames	0.57	0.50	-
656	Visors of leather	0.29	0.25	-
657	Zinc in sheets	0.10	0.05	0.05
659	Fans of straw, pasteboard or cloth, without ribs	0.19	0.20	0.20
660	Fans with ribs of wood, horn, or bone and all those not specified	0.86	0.50	0.40
661	Fans with ribs of pearl, shell or ivory, with or without ornaments, in or without small boxes	2.25	2.00	1.50
662	Alabastres and all kinds of manufactures of this material, not specified	0.24	-	0.20
663	White wire not gilded, for flowers and other uses	1.00	1.00	1.00
664	Wire, purl and other wire-drawn articles of white or yellow metal, without being gilt or silver plated	1.20	1.00	1.00
665	Wire, purl and other wire-drawn articles of gilt or silver plated metal	2.40	2.00	2.00
666	Wire, purl, and other wire-drawn articles of silver, gilded or not	7.00	5.00	5.00
667	Saddles of all kinds	55.00	55.00	-
670	Rings, earrings, necklaces, etc, gilt or silver plated metal, not gilt, with or without imitation stones	1.15	-	1.00
672	Hoops for crinolines	0.12	-	0.15
673	Tiles	6.60	5.00	5.00
674	Walking sticks and whips, with golden or silver handles of or both materials, with or without precious stones	13.00	-	1.50
676	Geldings	36.00	25.00	35.00
678	Boots of calfskin or patent leather, for men	7.00	18.00	20.00
	Cowhide boots, for men	13.00	12.00	-
679	Ankle boots of silk with or without trimmings, for ladies	5.50	8.00	8.00
680	Ankle boots of leather or cloth, but not of silk, with or without trimmings, for children	7.00	3.00	-
681	Slippers of all materials, for adults	6.00	-	2.00
683	Patterns (uppers) of slippers of all kinds, provided they are not combined with silk or fine metal	0.57	2.00	-
687	Carts of two wheels	33.00	20.00	30.00
688	Carts of four wheels	66.00	40.00	60.00

(continues)

Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
691	Open coaches and carriages with two wheels, with or without fan, for two persons	66.00	-	80.00
692	Open coaches or carriages, with two wheels, with or without fan, for two persons	88.00	-	80.00
693	Closed carriages or coupes, with four wheels, for two persons	132.00	-	200.00
694	Open carriages or coupes, with four wheels, for more than two persons	176.00	-	200.00
696	Small coaches of all kinds, for children	55.00	55.00	10.00
699	Guayins, of all kinds and sizes	80.00	50.00	50.00
701	Omnibuses	200.00	-	125.00
705	Iron field beds, including the linings and mattresses, if joined with them	0.19	0.15	-
706	Brass field beds, including the linings and mattresses, if joined with them	0.29	0.25	-
708	Crinolines of all kinds, for children	1.50	2.00	1.50
709	Crinolines of all kinds, for ladies	4.50	6.00	6.00
717	Artificial flowers and feathers for ornaments	2.87	2.50	3.00
718	Hat covers of whatever material	1.25	-	0.30
719	Liquor cases of all kinds	1.15	-	0.35
721	Gloves of all kinds of skins, including the embroidered	1.50	0.75	0.50
722	Harnesses, ordinary, for carriages and machinery	0.86	0.50	0.25
723	Harnesses, fine, for carriages	2.00	1.00	0.50
724	Rubber in sheets, except included in machinery and in convenient form to be applied	0.10	0.05	0.05
725	Rubber in bands for billiard tables and spun rubber	0.43	0.35	0.35
728	Soap of fine quality with or without odor	1.15	0.50	0.75
729	Bricks, ordinary quality	2.20	1.50	1.50
730	Marble manufactures, in slabs for furniture	0.38	0.25	0.25
733	Billiard tables of all materials, not including the cloth	55.00	55.00	-
736	Furniture of all kinds and materials not specified	55.00	40.00	40.00
737	Playing cards of all kinds (gruesa)	4.50	-	0.50
741	Head-dresses of silk with additions of other materials	10.00	-	12.00
742	Head-dresses of all materials except silk, with additions of other materials	55.00	-	40.00
743	Furs of beaver of all classes	2.87	2.00	2.00
744	Furs of vicuña rabbit, hare and others, for hats	1.43	1.25	1.25
746	Perfumery and cosmetics, for hair, beard, skin, teeth, etc	0.86	-	0.60
747	Petroleum and coal oil	0.09	-	0.05

(continues)

Table A1.3.  
Tariff Rates Comparisons: 1872 schedule, Guzmán-Castañeda Project and 1869 Tariff Bill

(concludes)

Category	Description	1872	Guzmán-Castañeda	Tariff Bill
759	Ready-made hats of all kinds, with trimmings, for children or adults, all kinds except for the specified	55.00	-	1.50
762	Leaf tobacco	1.25	0.50	0.50
763	Chipped tobacco	1.00	0.60	0.60
764	Snuff	2.50	2.00	-
766	Chewing tobacco	0.62	0.55	0.55
767	Cigars	4.90	3.00	3.00
768	Cigarettes of all kinds	1.25	0.55	0.80
770	Stearine candles	0.19	0.15	0.15
771	Parafine candles	0.38	0.20	0.20
772	Sperm candles	0.57	0.30	-

Source: Mexico, SHCP, Expediente sobre un Proyecto de Arancel, passim.