

THE TAX REFORM PROPOSALS OF THE FINANCE MINISTERS OF MEXICO (1825-1854)

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This paper is part of the research project *El pensamiento liberal atlántico, 1770-1880. Fiscalidad, recursos naturales, integración social y política exterior desde una perspectiva comparada* ["Atlantic liberal thought, 1770-1880. Taxation, natural resources, social integration and foreign policy from a comparative perspective"] (HAR2010-18363, subprograma HIST), of the Ministerio de Ciencia y Tecnología (Spain).

Abstract english

The initial question that this paper addresses is why, if some of the finance ministers of Mexico in the first half of the nineteenth century were familiar with the general theoretical liberal principles on which a system of public finance should be built in order to create the foundations of a strong state, they did not manage to successfully promote the reforms they considered necessary and which they explained in their respective Treasury reports and defended in the Chamber of Deputies. The reports that were submitted by the finance ministers of Mexico for debate in the Chamber of Deputies in the first half of the nineteenth century have been analysed. In conclusion, a brief comparison with the cases of Colombia and Chile has been made in order to understand Mexico's behaviour in an Atlantic context.

Introduction

Comparative studies offer advantages in the sense of being able to appreciate the differences between general behaviour and regional peculiarities. This paper is part of an extensive research project in which a group of researchers from different universities in Latin America, the United States and the European Union are comparing fiscal dynamics and political development in the Atlantic region (Latin America, the United States, France, Spain, Italy and Portugal) (("El pensamiento liberal atlántico, 1770-1880. Fiscalidad, recursos naturales, integración social y política exterior desde una perspectiva comparada" (Ministerio Ciencia e Innovación, Spain, Ref. HAR2010-18363).)). To date we have published some general texts (Pérez Herrero, 2010a, 2010b, 2010d) and other more specific ones for the cases of Colombia and Chile (Perez Herrero, 2010c, 2011, 2012). In this paper, the case of Mexico has been chosen in order to subsequently carry out a comparison with the cases of Colombia and Chile. The Treasury reports that were submitted by the finance ministers of Mexico in the first half of the nineteenth century have been analysed ((In Mexico during different historical periods the terms "Ministro de Hacienda" and "Secretario de Hacienda" have been used. In this paper, in the original Spanish version, the term "Secretario de Hacienda" has been used in all cases, translated as "Finance Minister" in the English version.)). Due to lack of space, the scholarly apparatus (bibliographical references, biographies of the finance ministers) has been reduced as

much as possible.

The initial question to be addressed in this paper is the following: why, if some of the finance ministers of Mexico in the first half of the nineteenth century were familiar with the general theoretical liberal principles on which a system of public finance should be built in order to create the foundations of a strong state, they did not manage to successfully promote the reforms they considered necessary and which they explained in their respective Treasury reports and defended in the Chamber of Deputies.

The *Memorias de Hacienda*, the Treasury reports that the finance ministers submitted for debate in the Chamber of Deputies in the first half of the nineteenth century have been analysed. All of these are to be found in Mexican, American and Spanish libraries. Many of them can be consulted in on-line version. A complete list of all these reports can be seen on Carlos Marichal's web page:

<http://www.colmex.mx/academicos/ceh/carlosmarichal/hacienda/>.

First Federal Republic (1825-1834)

In the *Analysis* that the Senate Tax Commission (comprised of the senators Cañedo, Medina, García and Barraza) produced on 10 April 1825 of the Treasury report submitted by the Finance Minister José Ignacio Esteva ((José Ignacio Esteva (...-1830), Finance Minister (from 9 August 1824 to 26 September 1825; from 28 November 1825 to 4 March 1827; from 8 March 1828 to 12 January 1829). Data provided at <http://www.colmex.mx/academicos/ceh/carlosmarichal/hacienda/>.)) on 4 January 1825 ((Memoria sobre el estado de la Hacienda Pública, leída en la Cámara de Diputados y en la de Senadores por el Ministro del Ramo. En cumplimiento del Artículo 120 de la Constitución federal de los Estados Unidos Mexicanos a 4 de enero de 1825, México, Imprenta del Supremo Gobierno de los Estados Unidos Mexicanos, en Palacio, 1825.)), it was explained that that the high level of contraband prevented the income derived from commercial activity from growing sufficiently (p. 6). Furthermore, a number of recommendations were made: import duties should be abolished and a system of moderate excise taxes (known as "*alcabalas*") should be revived so as not to hinder domestic trade (p. 7); a system of communications should be created that would enable the domestic market to expand (p. 10); it was necessary to resort to foreign loans in order to buy all the armaments required to guarantee the defence of national territory (p. 14); it was imperative to generate the necessary information (land registers, censuses) and to have an appropriate administration capable of managing the public finance mechanism (pp. 23 and 33, 34); it was necessary to guarantee the interest payments to the capitalists who were holders of domestic and external debt in order to ensure a permanent supply of credit (p. 27); it was essential to avoid making continuous changes to legislation on public revenue as this led to misinformation and distrust among lenders (p. 29); it would be expedient to coordinate federal and state revenue; the greatest number of ports possible should be opened to foreign trade in order to stimulate the economic development of the different regions of the Republic (p. 36); and it was vital to reduce the level of

poverty in order to increase the number of taxpayers (p. 36). It was emphasised that as silver production was the driving force behind the country's economic development ("agriculture, art, commerce"), mining activity should not be overburdened with high taxes as this would result in a reduction of its competitiveness in foreign markets (p. 37). The analysis ended with a reminder that, as the country's own revenue was insufficient and it was necessary to resort to external credit, it was essential for Mexico to project an external image of a reliable, rich and safe country (p. 43) ((Análisis de la Memoria presentada por el señor secretario del Despacho de Hacienda al primer Congreso constitucional de los Estados Unidos mexicanos, hecho por la Comisión de Hacienda de la Cámara de Senadores de cuya orden se imprime, México, Imprenta a cargo de Martín Rivera, 1825. Signed by Cañedo, Medina, García and Barraza.)).

In the report made by the Finance Minister José Ignacio Esteva in 1826, after describing the terrible situation of the Republic's ports and pointing out the benefits that foreign trade could offer Mexico (pp. 3-18), he highlighted the urgency of reducing the enormous scale of contraband activity that was carried out openly with total impunity (p. 21) and issued a reminder that in order to put the public finances in order, prevent deceit, eradicate fraud and guarantee a minimum of transparency it was vital to have reliable data (books of income and expenditure), which meant creating an efficient, meritocratic and capable public administration (p. 23) ((Memoria del ramo de Hacienda Federal de los Estados Unidos Mexicanos, leída en la cámara de Diputados el 13 de enero, y en la Senadores el 16 del mismo, por el Ministro respectivo. Año de 1826, México, Imprenta del Supremo Gobierno, 1826.)).

All the sources consulted coincide in indicating that fraud and embezzlement of public funds had become an endemic problem in independent Mexico ((Bando contra el fraude y la malversación de caudales públicos. Mexico, 22 November 1822.)). At the same time, it is evident that the majority of finance ministers consulted were aware of the need to create a quality public administration in order to eradicate fraud and increase public revenue, but it is also clear that they knew that this would take time and require a high level of financing on a permanent basis and, moreover, would entail a complicated task of coordination between the federation, the states of the Republic and the municipalities. On top of all this must be added the fact that it was necessary to have the support of an absolute majority of members of Congress in order to pass the law creating a public administration on the basis of merit and ability, something that was extremely complicated as this would mean, in many cases, the end of numerous patronage networks and channels of corruption. The job that needed to be done was indeed complicated. In the *Guía de Hacienda de la República Mexicana* published in 1825, it was specified that the Finance Ministry, after its creation on 29 November 1821, had only been staffed with ten officials, four clerks, an archivist, a doorman, an office boy and two office assistants; and that since 1824 even this number of officials had been reduced – to eight – while the number of clerks had been increased to seven ((Guía de Hacienda de la República Mexicana. Parte directiva y de oficios, México, Imprenta del Supremo Gobierno de los Estados Unidos, Palacio, 1825.)). In the states of the Republic there were also very few personnel to

manage public finances and, moreover, there was inadequate coordination between states and also with the municipalities ((Proyecto de Decreto para la organización de la Hacienda del Estado de México, México, Imprenta a cargo de Martin Rivera, 1825.)). With such a limited number of staff and such a low level of professionalism, it was difficult to lay solid foundations for a public finance system.

Centralist Republic (1835-1845)

In the exposition that Ignacio Alas ((Ignacio Alas (1780-1843), Finance Minister (from 20 August 1832 to 4 January 1833; and from 21 September to 18 December 1836). Data provided at:

<http://www.colmex.mx/academicos/ceh/carlosmarichal/hacienda/>.)) gave in 1836 as Minister of Finance, he emphasised the calamitous state of the public finances. After quickly reviewing the situation of the public treasury, he underlined that a substantial part of the revenue of the maritime customs was earmarked for paying off the interest on the large external debt, and thus there were no remaining funds available to meet the Republic's essential expenses. The Minister, after affirming that the payment of the debt was a "religious" obligation and openly acknowledging that Mexico depended on foreign loans, stressed the need to impose severe restrictions on public expenditure and increase ordinary and extraordinary taxes ((Exposición que dirige Ignacio Alas a sus conciudadanos, México, Impreso por J.M. Fernández de Lara, Calle de la Palma 4, 1836.)). On this occasion, Congress responded rapidly to the Finance Minister's requests, as just a few days later the Decree of 5 July 1836 was approved. This established an extraordinary tax of 0.3 percent on all the farms and country estates in the Republic in order to try to increase revenue ((Decree of 5 July 1836. Biblioteca Nacional de España (BNE).)). Once again, it transpires that not only was it explicitly acknowledged that the foreign obligations incurred were more important and of greater priority than domestic needs, but also that alternative options to break out of the vicious circle that had been reached with external creditors were not even considered. Obviously, undertaking an authentic tax reform and applying an economic policy that favoured growth and development was not even considered. The strategy that was presented as the only possible option was to continue looking after Mexico's external image in order to reassure foreign investors and thus guarantee the arrival of the capital that Mexico needed.

Joaquín de Lebrija ((Joaquín Lebrija. Finance Minister in the government of Santa Anna (2 September to 13 October 1834) and responsible for public finance in the government of Anastasio Bustamante (23 April to 18 October 1837). On this last occasion he had to present a report, on 29 July 1837, before the legislative chambers.)), in the Treasury report that he submitted in the summer of 1837, explained that the enormous deficit in public finances that he had encountered on taking over at the Ministry was the result of both meagre income and disproportionate expenditure. The Minister explained that there was not sufficient order in the accounts due to the fact that there was neither adequate staff nor the pertinent information. He subsequently affirmed that it was complicated to try

to increase revenue as, to date, no centralised system of management of public revenue had been achieved, and for this reason there was a lack of coordination between the different levels of public management (federal, state and municipal) and overlapping of certain taxes. Lebrija explained that as it was not possible to rapidly reduce certain expenses (administration, defence, justice), nor was it possible to cancel the obligations that the government had signed with national and international creditors, they were caught up in a complicated vicious circle which was difficult to break out of. The Minister defended the principle that all taxes should be universal and progressive in relation to income, but denounced the fact that in practice such principles could not be applied to Mexico and hence social inequalities were growing, fraud was becoming more extensive and the difference in wealth between some regions and others was growing. He emphasised the urgent need that existed to centralise and standardise the management of public finances and he complained that one of the consequences of the disorder had been the spread of usurious practices. He ended up by declaring that a bankrupt public treasury fed the insatiable mouths of national and international loan-sharks. As can be seen, in this case the Minister made an adequate diagnosis, but he admitted that he did not know what mechanisms could serve to escape from such a situation. He complained that although Mexico was a rich country, its government did not have the means to finance the public policies it needed to undertake, and that the moneylenders made a profit at the expense of ruined public finances ((Memoria de la Hacienda General de la República Mexicana, presentada a las Cámaras por el Ministro del Ramo en 29 de junio de 1837, México, Imprenta del Águila, Dirigida por José Ximeno, calle de Medinas, núm. 6, 1837.)).

Joaquín de Lebrija's limited capacity to make proposals establishing a plan of action capable of resolving the situation of the Mexican public finances becomes evident when compared with the ideas for reform that were circulating in Mexico at the same time. By way of example, Esteban de Antuñano, a textile industrialist based in Puebla, published a document on 4 November 1838 in which, after commenting on the extremely serious situation Mexico was in as a result of the blockade imposed by France, proposed a comprehensive tax reform in order to escape from the dependence that had been created with regard to the foreign debt. Antuñano began by stating that all the wealth of a country is a result of work, of the country's own individual agricultural and manufacturing work, and that this had not decreased with the naval blockade, but rather it continued the same (p. 2). He subsequently went on to declare that the Treasury should immediately reduce expenditure in order to adapt it to revenue and, in this way, prevent the already large deficit in public finances from continuing to increase, but then he immediately added that where the effort needed to be concentrated was in fostering productive industries in order to facilitate an increase in wealth and consequently of tax revenues. He explicitly affirmed that loans should be used to secure investments that would boost the development of productive industries. He made it clear that the interest that had to be paid on borrowed capital must always be less than the resulting profits in order to break out of the vicious circle they had got caught up in. The mining, agricultural and manufacturing sectors, which were the backbone of the Mexican economy, had to be encouraged

to increase their productivity and competitiveness. Furthermore, Antuñano explained that the investments would generate an increase in domestic consumption, thereby bringing about a greater integration of the national market; and he stressed the fact that borrowed capital should always be used to improve the productivity of the different sectors of the economy rather than channelling it into non-productive expenditure. Antuñano explained quite clearly that the promotion of industry would produce beneficial collateral effects (forward and backward internal linkages) generating an increase in jobs, reducing poverty, improving the distribution of income, increasing consumption and consequently leading to an increase in tax revenues (direct and indirect). He explained that in order to stimulate the development of industry it was important at that moment in time not to raise the taxes on these expanding sectors, so that they would be in a better position to compete with imported manufactured products. The Puebla industrialist concluded his document by affirming that, in order to provide the Mexican Treasury with sufficient revenue, indirect taxes on the agricultural sector (at this time the largest sector) should be raised moderately. With these resources the state would be able to foster industry and some of those working in rural areas would finally find better-paid jobs in the secondary sector. Esteban de Antuñano clearly insisted that the future of Mexico must not be allowed to depend on foreign debt (and therefore on its external image), but rather on the productivity of industry and on the work of the Mexican people ((Esteban de Antuñano, *Economía política en México. Ideas vagas para un nuevo plan de Hacienda Pública*, Puebla, Imprenta Antigua en el Portal de Flores, 1838.)).

The idea that the main sectors of the Mexican economy should not be burdened with excessive taxes, in order to guarantee their growth, was defended by other authors. In particular, the mining sector had been arguing for years the importance of reducing taxes on the sector so that it could compete better in international markets, explaining that the savings resulting from a reduction in duties could be used to boost productivity by means of introducing new machinery and technical improvements ((Informe del establecimiento de minería al Escmo. Sr Ministro de Hacienda que tiene por objeto probar la urgente necesidad que hoy, más que nunca, ecsiste de conceder a los que se dedican a la labor de los criaderos de azogue, la libertad de todos derechos en los artículos de su consumo, y de que también iguales franquicias se hagan estensivas al importante ramo de minería, México, Impreso por Ignacio Cumplido, calle de los Rebeldes, núm. 2, 1838.)). The argument was clear, but it was difficult to put into practice as this would mean that it was necessary to dispense with collecting extra revenue precisely from those sectors that were most active, just at a time when greater resources were needed to meet the urgent needs of the war.

While the debate about how to resolve the situation of the public finances continued, the problems multiplied, leading what was urgent to displace what was important. An example of the complicated situation that the country had arrived at in 1838 can be found in a text published by Manuel Eduardo de Gorostiza ((Manuel Eduardo de Gorostiza (1789-1851), Finance Minister (from 19 February to 7 November 1838; from 15 December 1838 to 20 March 1839; from 13 December 1842 to 3 March 1843; from 28 March to 19 April 1846). Data provided at:

<http://www.colmex.mx/academicos/ceh/carlosmarichal/hacienda/>.))). In this document, Gorostiza explained that when he joined the Finance Ministry on 19 February he found that the coffers were empty and in order to cover the most urgent items (administration, payment of troops, employees, widows and the retired) he asked Messrs Echeverría and Terán for an interest-free loan of 40,000 pesos; then at the end of February he persuaded the National Amortization Bank to lend him 242,998 pesos at 5% annual interest; in March he procured a loan of 284,076 pesos at 1.5% monthly interest amortizable in the stipulated time limits; then in the following days he managed to secure another loan of 60,000 pesos by mortgaging the Pious Fund of the Californias at an annual interest of 2%; and the Mining Establishment provided further assistance with 30,000 pesos at a monthly interest rate of 2%. Nevertheless, he noted that in June he was once again without funds to meet the Ministry's most pressing needs. In these circumstances, he presented a draft law to Congress for the imposition of an extraordinary adjudication of 4 million pesos to be distributed among all the departments of the Republic, an adjudication that was sanctioned by Decree by the Chamber of Deputies on 8 June (it was not published by edict until 15 September). The Minister explained that in the meanwhile he had managed to negotiate a bridging loan of 500,000 pesos with the Bank of Mexico to deal with urgent payments, which was approved by Congress on 22 June; and another with Gregorio Terán worth 150,000 pesos, of which 100,000 would be in cash in order to make the most urgent payments. Subsequently, Gorostiza explained that the Bank did not pay the credit in a lump sum but rather apportioned it in monthly instalments, for which reason the Minister once again had to address the now habitual liquidity problems. In view of such circumstances, the Minister secured another loan, from Antonio Berruecos, of 330,000 pesos (two-thirds payable in cash) and at the same time presented Congress with a request for a draft law to facilitate the negotiation of a loan of two million pesos backed by mortgaging the customs revenue. Meanwhile he started to negotiate another loan with Mexico's most important capitalists, worth 300,000 or 400,000 pesos, which as he explained was not possible to materialise in the end as no agreement had been reached. Under these circumstances, Mr. Rondero offered a loan of 200,000 pesos (half payable in cash) in conditions that were not very favourable to the government, but eventually it was necessary to accept it (6 September), with the consent of the President and the other ministers, as the Treasury was stretched to the limit (payment of the troops could not be delayed any longer). In this situation, there was mounting criticism of the Minister's efforts and he presented his resignation to the President, who refused to accept it until November 1838. Meanwhile, the troops continued demanding more resources ((Gorostiza a sus conciudadanos. Breve reseña de las operaciones del Ministerio de Hacienda durante los ocho meses y dieciocho días que lo ha tenido a su cargo, México, Imprenta del Águila, dirigida por José Ximeno, calle de Medinas núm. 6, 1838.))).

As can be appreciated, Gorostiza made every possible effort to solve the problem of the lack of funds by resorting to national and international loans. He had to obtain funds urgently, but he wanted to avoid having to do so at any cost. He was aware of the fact that there was neither time nor resources to undertake a comprehensive tax reform, but also aware that it was necessary to prevent

certain power groups, associated with known usurers, from taking advantage of the government's budgetary weaknesses to make private profit in the short term. The Minister did not only defend himself from the attacks made on him to restore his honour, but also to preserve a good image of Mexico.

Once more, it transpires that during this period alternative proposals to solve the problems of the country's excessive dependence on foreign debt were in circulation in Mexico, as were proposals to stimulate sustainable economic development, promote a better distribution of income and reduce corruption, demonstrating in this way that the need to resort to foreign lenders was not the only possible course of action, as it was usually presented in certain official circles (obviously with interests in the matter), to resolve the problems of the public finances. Thus, for example, in a text that Marcos Arnaud published in 1839, after leaving behind the proverbial image of Mexico's wealth and abundance (generous nature, strategic geographical situation between the Pacific and the Atlantic, climatic diversity), the author wondered why after 18 years of independent life the country had reached a situation of "poverty, unpunished crimes, uncertainty and distrust" (p. 3). Arnaud explained that war and violence, which had become endemic problems, spread poverty, increased production costs, hindered trade and generated unlimited expenses in the budget (p. 5). The author of the essay defended the idea that the government should guarantee freedom of expression, the transparent administration of justice and the division of powers (pp. 8-9); ensure that the state institutions function effectively (p. 10); promote productivity (education), the extension of the internal market (roads) and economic development (sufficient credit to productive activities) (p. 10); combat the unequal distribution of income; and reduce poverty in order to be able to increase the revenue of the states (indirect and direct). Aware of the fact that resources were needed to achieve all of this, he proposed that superfluous expenses should be eliminated and revenue increased. Specifically, he defended the idea that indirect taxes should be reduced (he was in favour of eliminating the "*alcabalas*" as he considered them to be an obstacle to growth), and direct taxes increased (pp. 11-12). To do all this, it would be necessary to extend the presence of a public administration in all departments, design censuses and guarantee the transparent administration of justice in order to prevent discrimination and ensure the equality of all before the law (p. 13). To stimulate revenue-raising capacity he proposed that "the general receivers" should take 2% of the revenue collected, the 'principals' 3% and the 'particulars' 5%" (p. 15). To conclude, he proposed closing the gambling houses, studying the legislation of France and England to copy ideas for their possible application to Mexico, protecting investors, fighting against speculators and facilitating the purchase of land by foreigners in order to put uncultivated land to active use and to provide work for idle labour. Mexico should change in order to occupy its rightful place in the world (p. 23) ((*El justo medio o ensayo político sobre la prosperidad y grandeza de la República Mexicana, por el ciudadano Marcos Arnaud, México, Impreso por Ignacio Cumplido, Calle de los Rebeldes N. 2, 1839.*)). As can be seen, Arnaud explained the need to make structural changes in order to escape from the spiral of growing public expenditure and dependence on voracious usury ("*agiotismo*"). Obviously, as a reformer or

"projector" he did not calculate how much it would cost to introduce the changes he proposed (education, justice, administration, censuses, infrastructures) and how much could be collected with the direct taxes he proposed.

Meanwhile, it emerges that in the Finance Ministry detailed information was available that could indicate where the problems lay and what needed to be done in the short term to try to mitigate them. It was, however, another matter whether the members of Congress had the political will to give the go-ahead to the legislative changes that the Republic needed and the finance ministers demanded. Thus, for example, in the budget that the Treasury Commission drew up to programme public expenditure for the financial year of 1840 it was made clear that the revenue collected (9,304,854 pesos) was less than the budgeted expenditure (18 million pesos), that customs revenue was the branch that generated the greatest income (6,377,579 pesos) and that the spending on the war was disproportionate (8 million pesos). Subsequently, the possibility of making some adjustments to try to reduce the deficit was given consideration, but it was emphasised that where the greatest problem lay was in paying the moneylenders (national and foreign usurers). This was because nothing of the 6 million pesos earmarked for this item could be saved, as otherwise the lines of credit would be cut, which would consequently stifle important items of state expenditure. The Commission did not bite its tongue when referring to the usurers, affirming that they comprised a den of wild beasts that devour the people with the most horrible cruelty, making them lose their public finances, not only their positive income, but also the income that they fail to receive, among other reasons, due to the despondency of taxpayers of good faith, who refuse to pay when they know that what they deprive themselves of serves not for the state's needs, but rather to feed the insatiable greed of a few (p. 72).

The Treasury Commission concluded that Mexico

needs income and this requires agents to collect, distribute and manage it. Therefore tax officials are absolutely necessary. In order to exist the nation needs to maintain its independence; have supreme powers that govern it; administration of justice and public order. These goals require people to work towards achieving them; then the military, government officials, judges and police are all indispensable; it is only fair that all these agents receive due remuneration for their work, which they perform for the common good, and for the dangers and hardships they are subject to (p. 72) ((Presupuesto general de los Ministerios de Relaciones Exteriores, del Interior, de Hacienda y Guerra y Marina, año de 1840, México, Impreso por J.M. Lara, Calle de la Palma núm. 4, 1839.)).

It was evident, therefore, that in the Finance Ministry it was known how the lenders acted, what their networks of power and influence were, and what the political consequences resulting from usury were. The problem was that there were not enough deputies prepared to support breaking the chain of complicity which fed the complex network of patronage relationships that existed.

Successive finance ministers continued denouncing this situation during the last two years of the

centralist period, but by their tone it can be perceived that they had already given up the fight. Ignacio Trigueros ((Trigueros, Ignacio (1805-1879). Finance Minister (from 21 November 1841 to 12 December 1842; from 4 March 1843 to 28 October 1844). Data provided at:

<http://www.colmex.mx/academicos/ceh/carlosmarichal/hacienda/>), in the report that he submitted to Congress in 1844 in his capacity as Finance Minister, began by complaining about the disorder that had reigned in public finance during the first decades of the independent life of Mexico, during both the federal and centralist periods. He went on to specify that there were a great number of taxes that overlapped; that the revenue of the Treasury basically depended on customs revenue and therefore on foreign trade; that contraband had reached outrageous levels; that the counterfeit copper coin had displaced the good silver one; and that, as expenditure had been increasing at a greater rate than revenue, the country had become caught up in a vicious circle of foreign debt (usury). Trigueros openly acknowledged that the theoretical fundamentals on which public finance should be based were well known, but he explained that the demands of the moment meant that what was really urgent (financing administrative and war expenses) took precedence over what was important (tax reform). Moreover, he added that the lack of information and inadequate training of those working in the administration prevented the implementation of transparent accounting and an increase in the revenue derived from direct taxes (pp. 42-45). To provide documentary evidence of his declarations, the Minister included an adjoined document in the 1844 report that registered the total amount of coins issued in the Republic during the previous two years, showing that the total value of pesos issued had decreased, with a consequent increase in the massive clandestine exit of silver in paste form without payment of the corresponding taxes. He pointed out that in 1842 money had been issued to a total value of 14,228,597 pesos (981,586 pesos in gold, 12,983,424 pesos in silver and 263,587 pesos in copper); and that in 1843 money had been issued to a total value of 12,149,171 pesos (624,778 pesos in gold and 11,524,393 pesos in silver) (p. 27) ((Memoria de Hacienda que presenta el Secretario de Estado y de Hacienda, en cumplimiento del decreto de 3 de octubre de 1843, presentó a las cámaras del Congreso general, y leyó en la de diputados en los días 3 y 6 de febrero y en la de senadores en 12 y 13 de febrero, México, Imprenta de J.M. Lara, Calle la Palma, núm. 4, 1844.))).

For his part, Luis de la Rosa ((Luis de la Rosa (1804-1856). Finance Minister (from 28 March to 10 August 1845; from 26 September to 3 June 1848). Data provided at: <http://www.colmex.mx/academicos/ceh/carlosmarichal/hacienda/>), in the report that, as Finance Minister, he submitted to Congress in the summer of 1845, began by recalling once more that he had been obliged to perform his task with partial information, with a deficient accounting system, without having adequate support, and in a very short period of time. De la Rosa began his report by emphasising that the public finances were in a situation of "chaos and confusion". Subsequently, he stated that it was not possible to create a solid foundation for public finances in a country where the governments that came to power had the custom of appropriating the revenue and distributing it among their "supporters as if it were their inheritance or patrimony" (p. 3); and he

commented specifically that wars did not only generate high expenditure (in the 1845 report 11,305,004 pesos were budgeted for war spending for the following financial year out of an estimated total expenditure of 13,793,399 pesos) that turned into costly mortgages for future generations, but also that all this led to a whole host of "obligations (jobs, rewards and recompenses) that increased state expenditure excessively [...]. Many times the powerful smugglers have fomented a revolution, devastated the country and stained it with blood with a new civil war, for the sole purpose of earning a little more on their goods" (p. 4). The Minister also explained that it had been customary in recent decades to make modifications to the structure and characteristics of revenue every year, thereby creating a generalised confusion that had further complicated the management of the administration of public funds; he also issued a reminder that an internal revenue code had still not been drawn up that brought together all the laws, decrees, regulations and ordinances (federation, states, municipalities) promulgated, indicating which had become obsolete or had been annulled and which overlapped or were contradictory, for which reason it was complicated to know what legislation was in force. De la Rosa stated that while an atmosphere of tranquillity and the cessation of revolutions, rebellions and wars could not be ensured, this task could not be accomplished, and he pointed out that it was not just a question of legislating, but of enforcing the law, which meant being able to depend on an efficient public administration, police force and judiciary throughout the entire Republic (p. 7). He also issued a reminder that the income generated by foreign trade accounted for the bulk of the Treasury's revenue; he explained that the considerable extent of smuggling seriously diminished public income; he stressed that the protectionist measures of national industry did not lead to boosting this industry, but rather encouraged secrecy and the collusion of foreign merchants; he declared that the income resulting from domestic activity needed to be augmented in order to end the dependence on customs revenue; he mentioned that revenue collected from internal trade taxes ("*alcabalas*") was much less than it should be (Mexico City customs generated a million pesos and in all the rest of the Republic the figure did not reach two million pesos); he commented that the revenue from direct contributions could be tripled if it was managed adequately; and he pointed out the danger of the fact that loans had become almost the only source of obtaining the funds required by the Treasury. The Minister concluded by urging the creation of a general office of public credit to put some order in the matter and to bring the accounts up to date; and the creation of a general office of coining, assaying and extraction in order to further organise and clarify the accounts and to promote a better management of public finances ((Memoria que sobre el estado de la Hacienda Nacional de la República Mexicana, presentó a las Cámaras el Ministro del ramo en julio de 1845, México, Imprenta de Ignacio Cumplido, 1846.)).

In short, it is apparent that during the period of the Centralist Republic it was known where the problems lay and what needed to be done to improve the situation, but there was not sufficient political support to bring about the required changes. The specific data of the balance sheets of public accounts were available and the tax reforms that needed to be introduced to stimulate

economic growth and strengthen the state institutions were also known. Where the real problem lay was in the deputies' lack of political will to implement a definitive solution to the matter. In the debates in the Chamber it transpired that the public finances were not at the service of the state, but rather that they served the private interests of the moneylenders, possibly in collusion with some power groups with influence in the Chamber of Deputies and the Senate. By resorting to foreign debt to solve the interim needs of the country, the Mexican government momentarily resolved a problem of liquidity, but at the expense of making the country poorer in the long term. The profit of a few mortgaged the future of the Republic and plunged the majority of the population into poverty.

Second Republic period (1846-1852)

Not much progress was made in terms of tax reform with the restoration of the Federal Republic. Mariano Riva Palacio ((Mariano Riva Palacio (1803-1880). Responsible for public finance (from 9 to 24 December 1844; from 19 January to 27 March 1845; from 3 June to 20 August 1848). Finance Minister (from 3 June to 28 August 1848). Data provided at: <http://www.colmex.mx/academicos/ceh/carlosmarichal/hacienda/>.)) in the report that, as Finance Minister, he submitted to Congress in the summer of 1848 began by evaluating the accounts of the previous centralist governments. He complained that expenditure had exceeded revenue and that the domestic debt in 1848 was unsustainable (domestic: 22,907,791 pesos; foreign: 56,329,075 pesos). He described clearly how the usurers had taken control of the country's destiny and how they had allocated positions in the administration in recognition of favours, all of which generated non-productive expenses along with the consequent inefficiency in the public administration; he pointed out that the total of unpaid salaries that were owing rose to more than 25 million pesos; and highlighted the fact that the payment of the interest on existing obligations would consume almost all revenue. He complained that there was no clear list of who the national creditors were and how much they were owed; and explained that the deficit should not be blamed on the war, as this had only accounted for part of the expenditure, but rather on existing usurious practices, which took advantage of ongoing war expenses in order to continue increasing private income boundlessly. Riva Palacio, well versed in the liberal principles that needed to be applied in order to organise public finances, made a clear diagnosis of the situation and acknowledged the existing limitations in a pragmatic fashion. Thus, for example, at the same time as he declared himself to be an advocate of the need to increase universal and proportional direct income taxes, he did not hide the fact that these were difficult to collect due to the lack of information and trained personnel. Likewise, he maintained that it was not appropriate to eliminate the state-run tobacco "*estanco*" as this was a source of substantial and secure income for the Treasury; nor was it advisable to desist from continuing to collect the indirect taxes ("*alcabalas*"). Finally, he considered that the policy of prohibiting the importation of cotton to protect the national textile industry had not brought the expected benefits and, on the contrary, it had led to a substantial amount of smuggling which resulted in the corresponding duties not being collected ((*Exposición que al Congreso General*

dirige el ministro de Hacienda sobre el estado de la Hacienda Pública de la Federación en fin de julio de 1848, México, Imprenta de Ignacio Cumplido, 1848.))).

For his part, Manuel Piña y Cuevas ((Manuel Piña y Cuevas (1804-1877). Finance Minister (from 11 September 1848 to 22 March 1849; from 25 May to 1 September 1851). Data provided at:

<http://www.colmex.mx/academicos/ceh/carlosmarichal/hacienda/>.)), in the report that, as Finance Minister, he submitted to Chamber of Deputies in 1849, delivered a technical accounting report without making any proposals for structural reform of public finances. He calculated the revenue that could be expected and adapted expenditure to this. In order to calculate the potential revenue, he chose the information from the five-year period 1841-1845 instead of the two-year period 1847-1848 as he considered that these last two years had been exceptional, due to both the fall in regular income resulting from war-related tensions (invasion by the United States, the caste war in Yucatán, the Sierra Gorda rebellion in Guanajuato) and the injection of money which came as a result of the compensation that the United States paid Mexico for the cession of Texas, New Mexico and California (Treaty of Guadalupe-Hidalgo) (part of these funds were used to defray the costs of the war in Yucatán). The Minister calculated that as the revenue that would be collected in 1849 would be 9,838,240 pesos and the already-committed expenditure rose to 16,580,520 pesos, this would create a budgetary imbalance of -6,742,280. He proposed that if expenditure was reduced to four million pesos, this deficit could be covered with the funds from the compensation from the United States and the extra income that it was expected to collect as a result of increased tariffs, the introduction of some order in the accounts and the reestablishment of the "*capitación*" (a former tax that had been reformed). He explained that as some of these items were exceptional, steps were already being taken towards the creation of a "Bank of deposit, discount and circulation" to unify domestic and foreign debts in a single fund in order to be able to manage them better and restore the credit and good name of Mexico. Piña y Cuevas was confident that internal order and economic development would help to consolidate healthier and more stable total revenue and emphasised that it was not possible to continue channelling such a large amount of resources into paying off the debt. It is important to note that in the general summary of his report the Minister specified that the expenditure budget for 1849 consisted of a total of 16,580,518 pesos, of which the Ministry of War and Marine would take 7,685,733 pesos, the Ministry of Justice and Ecclesiastical Affairs would account for 4,211,800 pesos, the Finance Ministry 1,732,803 pesos, the Ministry of the Interior and Foreign Affairs 922,103 pesos, the domestic debt 2,695,678 pesos and the foreign debt 3,123,021 pesos. It was therefore perfectly clear that the debt (domestic and foreign) accounted for 35.09% of total expenditure, and the war 46.35%, which left just 18.56% of the budget to finance the public administration and to promote internal development ((Exposición con que el Excelentísimo Sr. ministro de Hacienda presentó a la Cámara de Diputados de la nación el día 2 de enero de 1849, el presupuesto general de gastos para el mismo año, México, Imprenta de Vicente G. Torres, 1849.))).

The next Finance Minister tried to effect a change of course with regard to payment of the foreign

debt, but the eventual outcome was that the private interests of the moneylenders once again prevailed. José Ignacio Esteva y González ((José Ignacio Esteva y González (1816-1891). Finance Minister (from 17 February to 28 March 1851). Data provided at: <http://www.colmex.mx/academicos/ceh/carlosmarichal/hacienda/>.)) in the report that, as Finance Minister, he submitted to Congress in 1851, began by proposing that the funds Mexico had received as compensation paid by the United States should not be used to pay off the domestic debt, but in the end the President himself (Mariano Arista), under pressure from both financial (usurers) and political (deputies) power groups, not only refused to give permission for this, but even relieved José Ignacio Esteva of his post. The Minister began the 1851 report by declaring that the public finances were in a chaotic situation, and pointed out that that debts exceeded revenue and that the administration needed a profound reform to eradicate inherited vices and inefficiency. In his report, he specified that the deficit was 13,485,451 pesos (4,314,869 pesos corresponded to the payment of domestic debt commitments) and that the law of 30 November 1850, as it had not acknowledged part of the foreign debt (the debt was repaid in accordance with its nominal value, payable in regular monthly instalments), had generated a complete lack of confidence among future creditors and consequently had created a situation where it would be difficult to continue having access to the lines of credit that were needed. Esteva y González suggested that in order to find a way out of this situation it would once again be necessary to resort to taking out a new loan, as raising taxes and cutting expenditure would have real effects on the budget for at least two years. After reviewing the situation, the Minister emphasised that, faced with the impossibility of taking out a new loan (national or international), payment of all domestic and foreign debt should be postponed until 30 June 1852 in order to allow time to restore budgetary balance (he expected that revenue would be increased and expenditure reduced as a result of the improvements he was trying to introduce in the administration of the public treasury). Only in this way, according to Esteva y González, could the confidence of the lenders be restored. The Minister issued a reminder that the caste war in Yucatán, the incursions of "barbaric peoples" on the northern frontier, and maintaining security in the Río Bravo region consumed ample resources out of the state funds, while contraband activities were on the increase, thereby reducing revenue. He ended his exposition by emphasising the need for the Chamber of Deputies to once more consider the possibility of reforming the laws that prohibited imports, as it was quite clear that they had not served to protect the nascent Mexican industry, but rather helped to feed and perpetuate the logic of contraband ((Exposición que dirige al Excelentísimo Señor Presidente de la República, su ministro de Hacienda ciudadano José Ignacio Esteva, México, Tipografía Vicente García Torres, 1851.)). The Minister explained that he was very aware of what a default (cessation of payments for a year) would entail but, according to his calculations, this measure would have beneficial effects in the medium term. Obviously, it was once more evident that financial interests (domestic and foreign) and political commitments outweighed the country's economic interests. The tax reform was postponed *sine die* and the lenders continued making profits at the expense of an impoverished treasury.

Manuel Piña y Cuevas, in his second term as Finance Minister (25 May 1851 to 1 September 1851) in Mariano Arista's conservative government, tried to introduce some changes in the management of the public treasury in order to tackle the profound budgetary crisis, but once again the political interests in play prevented their implementation. The Minister raised the need to centralise revenues and rationalise the expenditure of the states, but the governors fought to impede any reduction in their powers and their autonomy in drawing up and executing the budget. The Minister convened a meeting with the state governors in Mexico City in August 1851 in an attempt to reach an agreement. The governors of Chiapas, Chihuahua, Coahuila, Durango, Guanajuato, Jalisco, México, Michoacán, Nuevo León, Oaxaca, Querétaro, Sinaloa, Tamaulipas and Veracruz replied in a letter dated 19 August 1851 that they were subject to the authority of the President of the Republic, but they were unable to attend the meeting convened by the Minister as they did not have the necessary information to deal with such an important matter, nor did they have enough time to discuss the subject in depth, and furthermore they were not in a position to leave the affairs of their respective governorships unattended. The Minister replied to them the following day (20 August 1851), sending them a detailed plan of the general reform of public finances that he had prepared and explaining that he intended to discuss it with them first and only then present it to Congress for its debate and approval. He proposed including an extraordinary quota of 1,200,000 pesos to be distributed among the states of the Republic in accordance with their population, increasing customs taxes, adding an additional tax contribution of 0.2% on real estate for states and territories and increasing direct taxes. He concluded by defending the need to maintain the tax on tobacco (some states rejected it) and the urgent need to make all possible expenditure cuts both in the Federation and in the states (25% reduction in the salary of public employees, only filling the posts that became vacant in positions that were considered to be essential, military discharges and forced retirement of senior officers in the army and the navy).

The governors' reply was quite clear (28 August 1851). They complained that the income and expenditure items did not correctly reflect the real situation (they claimed that the total amount of revenue should be 10,003,927 pesos, and total expenditure 8,375,692 pesos, therefore leaving a surplus of 1,628,235 pesos) and while emphasising that they agreed with cutting some expenses in the administration and eradicating "*empleomanía* (the obsession with getting a government job) as a means of acquiring proselytes and making friends" (26), they also stressed that the central problem was the fact that the Minister had not adjusted the expenditure items to what had been budgeted in the Chamber, but rather he had established them according to his own criteria. They explained that they accepted the amounts budgeted in the projected expenditure made the previous year and passed by Congress as valid, and argued that the reduction in expenditure proposed by the Minister was consequently unconstitutional ((Proyecto de recursos que presentó el Excmo. Sr. Ministro de Hacienda en 20 de agosto del presente año y Dictamen que estendió la Junta de Sres. Gobernadores de los Estados reunida en esta capital, México, Imprenta de J.M. Lara, Calle de la Palma 4, 1851.)).

Once more, the proposal for tax reform was left on the sidelines. The governors clearly won this contest, and consequently the Finance Minister was forced to resign on 1 September 1851. The Minister then went on to occupy a seat in the Chamber of Deputies as representative of the state of Guerrero (one of the states that had not joined the governors' "rebellion"). Once again it was evident that the political interests and the strength of certain powerful groups prevailed over any transformation of public finances proposed by the Minister concerned. It was clear that the reduction of the public deficit was not only a matter of accounting (cutting expenditure, raising taxes, improving the administration, reduction of the debt), but it also entailed a transformation in the territorial structure of the Republic (financing of the states) and readjusting the balance that existed between the different circles of power. It was not pure chance, therefore, that when the Minister tried to introduce significant modifications he did not have the support of deputies and senators, or the approval of the governors. It becomes obvious, therefore, that the issue of foreign debt was not only linked to international commitments, but also to domestic political interests. In 1851 it was made absolutely clear that the lenders were more interested in the government guaranteeing the payment of interest and the return of capital in the short term than pushing through a significant tax reform, which would pose a threat to the business that they were running so successfully. Mexico needed to offer an image of international solvency in order to preserve its fragile budgetary equilibrium. The internal problems of the political game and crisis should not in any way spoil the image of confidence that needed to be conveyed to the outside world, so that the capital that was needed to balance the books and to oil the machinery of loyalties and favours would keep arriving.

The Minister who replaced Manuel Piña y Cuevas did not have much room to manoeuvre. In the report that Guillermo Prieto ((Guillermo Prieto (1818-1897). Finance Minister (from 14 September 1852 to 5 January 1853; from 6 October to 7 December 1855; from 28 January to 8 August 1858; from 20 January to 5 April 1861; from 31 October to 4 November 1876; from 9 to 25 December 1876). Data provided at: <http://www.colmex.mx/academicos/ceh/carlosmarichal/hacienda/>.)) submitted to Congress on the situation of the foreign debt, just 45 days after having taken office as Finance Minister, he gave a very detailed account of the state of the public finances and proposed a short-term remedy. Piña y Cuevas had stated that, according to the official data which he had available, half of the customs revenue of a financial year was earmarked for the payment of the obligations to English creditors (3,327,853 pesos). He specifically noted that on 14 October 1850 Mexico's total debt with England had now reached 51,208,250 pesos (10,241,650 pounds sterling). In order to resolve this situation, the new minister put his faith in the "convertibility plan" then in force (Autumn 1851) and, after emphasising the considerable burden that the debt placed on the treasury (he recalled that Mexico received a debt of 11 million in 1824 and that since then had paid 20 million pesos in cash and still had unpaid obligations of 51 million pesos), asked Congress for permission to cover the payment of 1,336,000 pesos still pending to England, by the "means considered to be appropriate" (p. 15) with the vital aim of not losing the creditors' confidence and not allowing the good external image of Mexico to deteriorate ((Informe que presenta el Secretario de Hacienda sobre el estado que guarda

la deuda estrangera pidiendo que se cubra el deficiente extraordinario de 1.300.000 pesos para el pago de los dividendos que se adeudan, México, Tipografía de Vicente García Torres, 1852.))). Yet again, the solution of Mexico's fiscal problems depended on gaining the credibility of foreign creditors.

In short, it is quite clear once again that during this period of the second phase of the Republic the highest expenditure items continued to be those derived from the debt (domestic and foreign) and the war. The country was being torn apart by internal tensions and was mortgaged to intolerable levels. The external image of a rich country guaranteed the arrival of the necessary capital, but at an unacceptable and unbearable cost. External image, internal war and credit were indissolubly tied up, creating certain links and synergies that would be difficult to break or do away with. The war, as it maintained high expenditure, prevented the Treasury from assigning resources and promoting development. Meanwhile, the most powerful groups in Mexico lived off the budget and at the expense of the budget itself. The public finance system, therefore, did not function as a mechanism to strengthen the state, but rather it had become a piece of machinery used by users to generate private profit, and by the most influential groups to finance their patronage networks and to pay for favours and privileges. The finance ministers may have had good ideas for reforms and been well versed with the liberal principles of how to build solid foundations for the public treasury, but the convergence of vested interests prevented their proposals from being put into practice.

Dictatorship of Santa Anna (1853)

During the period of the Santa Anna dictatorship, the need to resolve the precarious situation of the public finances was once again given serious consideration. The situation of a president enjoying such considerable political control made it possible, in theory, to prepare and implement a tax reform, but the Finance Minister only proposed a few interim changes to try to deal with the terrible situation in which he found the Treasury on his arrival. In the report made by Antonio Haro y Tamariz ((Antonio Haro y Tamariz (1811-1869). Finance Minister (from 29 October to 6 December 1844; from 25 September to 13 November 1846; from 20 April to 5 August 1853). Data provided at:

<http://www.colmex.mx/academicos/ceh/carlosmarichal/hacienda/>.)) on 12 July 1853, immediately after being named Finance Minister by the president Antonio López de Santa Anna, he affirmed that it was necessary to reduce expenditure, maintain diplomatic commitments, find a solution to the absence of copper coins, put the existing dead capital into circulation and stimulate business. The Minister calculated that the imbalance between Mexico's revenue and expenditure was, at the very least, about 17 million pesos in the summer of 1854, for which reason he explained that it would be necessary to continue resorting to the familiar and oft-repeated loans. However, he also explained that as there was not much margin for negotiating new credits abroad due to a situation of lack of confidence in the country, he recognised the need to negotiate satisfactory agreements with domestic creditors, basically directing his attention towards the Church. As the

Minister was not in favour of creating a National Credit Bank, he proposed that the Church provide 17 million pesos credit, the same amount as the deficit he had calculated, offering in exchange guarantees that ensured the ownership of their possessions, and assigning them the administration and the proceeds of the taxes on rural and urban property. Haro y Tamariz argued that with this provision the government would be able to relieve itself of the deficit, with the issue of bonds acquired by the Church. The Minister concluded by explaining that from then on Mexico would only have to adjust its expenditure to its revenue in order to avoid falling back into the spiral of usury. The plan had a lot of flaws and was manifestly incomplete (it only dealt with resolving the situation of imbalance of the public finances for one year without proposing any comprehensive programme of reform for the medium and long term), but finally it could not be put into practice anyway as the Church put pressure on the President to persuade him not to permit Haro y Tamariz's plan. In response to this, the Minister resigned his post and went on to support Ayutla's liberal plan against Santa Anna ((Informe presentado al Excelentísimo Sr. Presidente de la República, por el Ministro de Hacienda, sobre los puntos que en él trata, México, Imprenta de Ignacio Cumplido, 1853, firmada por Antonio de Haro y Tamariz (12 de julio de 1853). I have not been able to consult the original text of the report.

The data has been taken from the summary made by Carlos Marichal at:

<http://www.colmex.mx/academicos/ceh/carlosmarichal/hacienda/>.))

As can be seen, on this occasion it was the Church that put an abrupt stop to the plan for tax reform proposed by the Finance Minister. The idea of creating a kind of rescue fund in the hands of the Church was therefore not implemented, but even if it had been it would have only been a stopgap solution, just a mere patch. Once more, what was missing was a comprehensive tax reform.

Conclusions. Comparison with the cases of Colombia and Chile

From all of the material used in this paper focused on the analysis of the tax reform proposals put forward by different Mexican finance ministers in the first half of the nineteenth century, some conclusions can be drawn when their projects are compared with those proposed by the finance ministers of Colombia and Chile during the same period (the details of the tax reforms of these countries can be seen in Pérez Herrero 2010c; 2011; 2012).

At the beginning of the nineteenth century, many thinkers in Latin America were very well acquainted with the liberal theses that circulated around the Atlantic region, and many of the finance ministers had a firm grasp of the different theories that could be applied in order to provide a solid and stable fiscal architecture that would contribute to the building of strong states. In some of the cases examined it can be detected that if the necessary tax reforms were not undertaken it was not because of a lack of knowledge, but rather due to:

a) A lack of political will to carry out the changes on the part of the most influential power groups. In

the cases of Mexico (1821-1854), with governments of any political persuasion (federal, centralist, radical, moderate or conservative), and Great Colombia (1819-1830), public finances were not generally used to strengthen the transparent functioning of state institutions, but rather it is evident that they were used as a means of strengthening political power and reinforcing the privileges of certain powerful and influential groups. A system of public finance was not designed as a way to promote and implement a preconceived model of country, but rather the fiscal structure was designed as a reflection of the existing reality. As public finance was not conceived as a mechanism for change, but rather as a strategy for perpetuating power, it is not surprising to find confirmation that the capacity to put liberal ideas and theories into practice was lacking, regardless of whether they were conservative, radical or moderate), hence perpetuating some of the social, political and economic dynamics of the period prior to the Ancien Régime.

b) A lack of information and no adequate public management apparatus. In the cases of the conservative governments of Chile (1823-1826; 1830-1850) and the period of liberal government in Colombia (1849-1854), where internal public order was achieved by authoritarian or semi-authoritarian means, it transpires that they were unable to implement the tax reform proposals because they did not have access to the information (censuses, property registers) required to draw up a map of the system of taxation, and nor did they have a well-trained, meritocratic and capable public administration that at the same time was well coordinated at the different levels (federal, state-provincial and municipal).

From all this it can be concluded that it is not possible to establish a sole cause-and-effect relationship between the success or failure of the tax reforms and the type of government they were promoted under. It would seem to be appropriate to carry out a more in-depth study of the complexity of the interrelations that existed between national power groups and international financial interests. The interpretation that the failure of the tax reforms was due to the lack of ideas, the lack of an administrative management apparatus or the pressure exerted by foreign lenders should not be perpetuated. Liberal ideas circulated rapidly and with ease on both sides of the Atlantic. The parliamentary debates that took place also need to be analysed in order to know precisely what arguments were proffered in each case and period to impede the creation of the public administration that was required. The cases of Colombia, Chile and Mexico that have been analysed should be compared in subsequent works with the rest of the regions of the Atlantic area in order to construct a more complete picture that enables differences and similarities in both space and time to be appreciated.

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