

## Ruy Barbosa

The following is from the Report of the Finance Ministry (1891) written by Ruy Barbosa (1846-1923), finance secretary in the provisional government of Marshall Deodoro da Fonseca:

When Hamilton, first Treasury Secretary following independence, founded American finances, one of the foundations of his system was the creation of a National Bank, whose currency would be accepted throughout the territory of the United States.

But already that which we would today call extremist federalism . . . which demanded for the states a sovereignty parallel to that of the Union as a whole, viewed with distrust any institution intended to cement national unity.

The idea of a national bank could not fail to draw the ire of that dissolutionist tendency, antagonistic to any government, whose efforts were on the verge of subverting the American Union in the middle of this century. Once the law was approved in Congress, the greatest pressure was brought to bear to force Washington to oppose it with his veto. The President listened to his cabinet, where political sentiment was divided between Hamilton, author of the project, and Jefferson, leader of the movement opposed to the consolidation of the federal forces. But Hamilton prevailed.

The story of those who paved the way for the American Revolution, long before the Declaration of Independence: Massachusetts Puritan Cotton Mather, Virginia's Governor Alexander Spotswood, British satirist Jonathan Swift. . . .

# How the Nation Was Won

*America's Untold Story 1630-1754*

by H. Graham Lowry

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## Estevan de Antuñano

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# 'Promoting industry is a matter of honor'

In his 1985 book *Mexican Mercantilism vs. British Liberalism*, Peruvian historian Luis Vásquez Medina identifies Estevan de Antuñano (1792-1846) as one of the early proponents of mercantilism in Mexico, as well as a fervent admirer of the American System of economics. Antuñano also considered himself a follower of France's Colbert. Born in Veracruz, he was educated in Spain and returned to Mexico in 1820. By 1830, he had built a large business, producing textiles, porcelain, and iron.

In 1835, he revolutionized Mexican industry with the first modern textile factory, run with hydraulic energy—the first step in his ambitious project to transform the Atoyac River valley into "Mexico's industrial valley." He was adamantly opposed to the idea that Mexico's future lay in minerals export, which he viewed as a continuation of the colonial regime. Constantly battling those who said that Mexico could not industrialize, in 1845 Antuñano presented his own program for Mexico's industrialization which he called *Mexico's Political-Economic Plan*. Excerpts from that plan, as well as from other major writings, follow:

In the Dec. 24, 1842 edition of *El Cosmopolita*, Antuñano wrote:

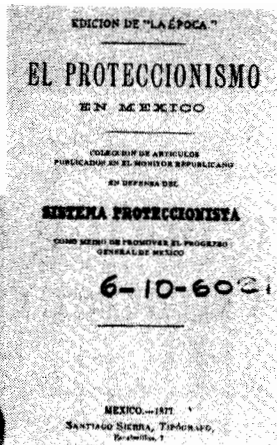
"For our Republic, the promotion of industry is not merely a matter of convenience, but rather one of honor and of independence."

In September 1837, Antuñano wrote *Exposition on the Advantages for Mexican Industry and Wealth Resulting from the Exploitation of Iron and Building of Factories to Produce Machinery and Fine Tools to be used in the Arts and Agriculture*. It read in part:

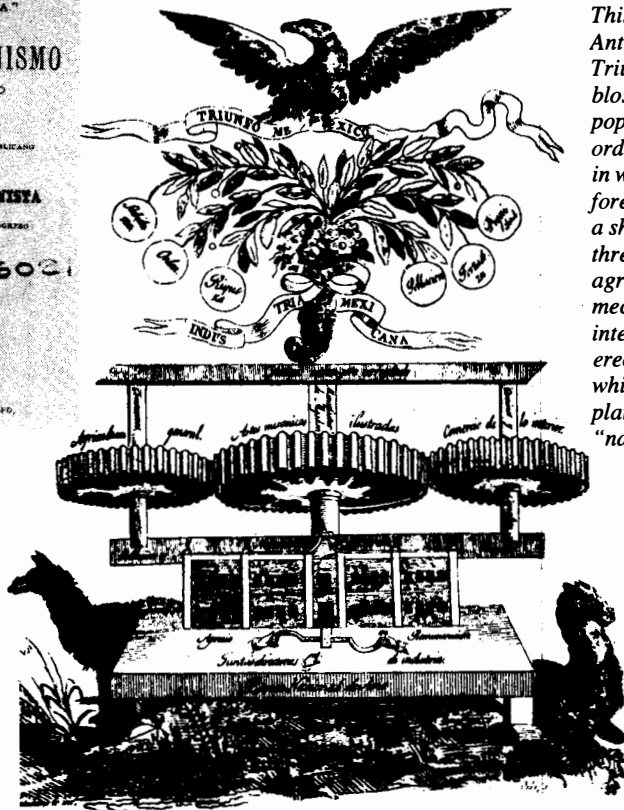
"Exploitation of iron is so necessary for national wealth that it would be impossible for any nation to make great progress in its arts and agriculture if it did not dedicate itself to this important object of wealth; iron is the general and most economic material for producing all those instruments by which human understanding, through the senses, puts its useful ideas into practice.

"Exploitation of iron can lead to advances in the production of tools; this is the primary motive behind its exploitation: there can be no other purpose than to smelt, hammer, and transform that metal into useful form, to provide more leisure time for man, and more thrift and perfection in the products, as well as in rural operations. . . .

The cover of the “anti-GATT treatise” of the era, Carlos de Olaguíbel’s 1877 book on “Protectionism in Mexico.”



Estevan de Antuñano



This illustration from Antuñano shows the Triumph of Mexico, blossoming in population, wealth, and order, above a machine in which regulated foreign trade arises from a shaft supported on three gears: general agriculture, applied mechanical arts, and internal trade. This is erected over an edifice which rests on a platform labeled “national bank.”

“In factories for producing instruments, a greater number of Mexicans could be employed; wealth, the census and the population’s lifespan would increase directly and in the same proportion by means of useful and honest work. . . .

“The building of factories will allow us to easily train good local artists in all fields, [provide] good tools to all of them, and finally, give to our manufacturing and rural goods greater efficiency than they now enjoy. . . .”

In 1846, in *La Insurrección Industrial*, he wrote:

“The Mexican nation cannot be satisfied, rich, strong or civilized, despite its great natural advantages and its national independence, as long as it fails to also achieve industrial independence—for the regeneration of its industry, and for new and more perfect economic methods to use in the industrial arts.”

### **Invention, infrastructure, and industry favored**

Antuñano’s 1845 *Mexico’s Political-Economic Plan* called in part for:

“The creation of industrial boards of directors, as they should direct the operations of the agricultural and manufacturing industries, indispensable in our situation of economic backwardness.

“Appreciation and remuneration for those who faithfully and intelligently dedicate themselves . . . to discoveries and promotion of industry, to awaken through the most powerful

stimulus—that is, interest—the fertile Mexican ingenuity for productive and noble objects.

“[Building of] roads and canals, because without them, it is impossible to have an efficient and useful communication, and all efforts in the arts, agriculture, and trade will become useless.

“Creation of factories for the production of modern tools and iron exploitation, because these should be considered the first step, the introduction and the material basis of all industry. I’ll talk at greater length about this in the second section.

“Absolute prohibition of all foreign manufactures, which we could probably build easily and cheaply here, is the basis for all of Mexico’s economic reform. . . . This is the most efficient stimulus, the only guarantee by which Mexicans can progress in the mechanical arts, encouraging them [to enter] costly, risky, and even unknown activities which, at the same time, are the best means by which to oppose the scandalous and destructive contraband . . . which has provoked, secondarily, the annihilation of our tender and backward industry, not to mention the anguished and disgraceful state in which our national treasury finds itself. . . . As long as people cannot find abundant, useful, and honest work, and as long as the government depends only . . . on the precarious assistance offered it by foreign merchandise, constantly cut off by contraband and by repeated usurious negotiations—prohibition is the only moral basis for industry.”