

third than a fourth larger than in any other three months during the whole time I have been *au fait* of this matter.

"The serious consequences which may probably result from the backwardness of these payments, affecting as much the honour of your Royal Highness's arms, as the cause of the allies; and the uniform refusal of the Governors of the kingdom to attend to any one of the measures which I have recommended, either for temporary or permanent relief, have at last obliged me to go into your Royal Highness's presence, for the purpose of stating the result of the measures which I have recommended to the Governors of the kingdom for the reform of the Custom-house, which measures have not yet been carried into full effect, in consequence of the opposition they encounter from the Chief of the Treasury; although the Governors ought to have been convinced there was room for the suggestion of improvements in the several branches of the public administration of the kingdom of Portugal. But I cannot prevail against the influence of the chief of the Treasury; this is what induces me to lay this *exposé* before your Royal Highness.

"In order to improve the resources and means of the kingdom, I have recommended the adoption of some method by which the taxes might be actually and really collected, and the merchants and capitalists really pay the tenth of their annual profits as an extraordinary contribution for the war; the effects of this system being first tried in the great cities of Lisbon and Oporto.

"I can declare that no one knows better than I do the sacrifices which have been made, and the sufferings which have been experienced by your Royal Highness's faithful subjects during the war; for there is no one who has seen more of the country, or who, for the last four years, has lived so much among the people.

"It is a fact, Sir, that the great cities, and even some of the smallest places of the kingdom, have gained by the war; the mercantile class generally has enriched itself by the great disbursements which the army makes in money; and there are individuals at Lisbon and Oporto who have amassed immense sums. The credit of your Royal Highness's Government is not in a state to be able to derive resources from these capitals, owing to remote as also to present circumstances; and it can obtain advantage only through the means of taxes. The fact is not denied, that the tributes regularly established at Lisbon and Oporto, as also the contribution of ten per cent. upon the profits of the mercantile class, are not really paid to the state; nor is it denied that the measures which I have proposed would, if efficaciously carried into execution in the above-mentioned