

demand and the means of payment have been more accurately ascertained, and a healthy and increasing commerce has been carried on, as far as the state of the country and the fluctuations, which are inseparable from a distant traffic, would permit. The commerce of Peru will not bear a comparison with that of Chili, and while the former has been diminishing, the latter has been rapidly increasing. A portion of the supplies which were formerly sent to Peru direct, are now obtained in Chili, and sent to their destination in coasting vessels. This change has been brought about by the unwise policy pursued by the various Peruvian rulers, in imposing heavy transit duties. This is also in part to be attributed to the advantageous situation of Valparaiso, where purchasers are always to be found for articles for the leeward coast. There is little doubt in the minds of those who are most competent to judge, that Valparaiso must become the principal mart of foreign commerce on the west coast of America.

The foreign trade of Peru is principally carried on by the English, Americans, and French. Of late years, a good many German and Spanish vessels also have been sent thither; and occasionally some of the Mediterranean flags are seen on the coast.

The annual imports into Peru are combined so much with those of Chili, that it was deemed proper to include them under the one head; those of Peru amount to about two-fifths of the whole. Of these imports, part go to Guayaquil; the Intermedios, or South Peru and Bolivia, take about one million from Chili and Lima. The returns made from Peru are as follows:

In dollars and bullion, . . . . .	\$4,500,000
Bark, hides, wool, cotton, &c., . . . . .	500,000
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	\$5,000,000

It will be perceived, that both in Peru and Chili, the imports and exports are nearly the same in amount; and the question naturally arises, whence the profits on the trade? It is readily answered that, as has been already said, large quantities of goods are annually sold in Chili and Peru for Central America, the proceeds of which are shipped thence direct to Europe and the United States, and do not appear in the above note of exports.

These countries offer a large market for our domestic cottons; and if the prices can be maintained, the United States will supply the most of the coarser kinds used there. I have it from the best authority, that the consumption of these goods is now double what it was five years ago, and it is still increasing.