

BUREAU OF THE
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INTERNATIONAL UNION OF AMERICAN REPUBLICS
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1888

The Brazilian Review

A WEEKLY RECORD OF TRADE AND FINANCE

Vol. 2—No. 24

RIO DE JANEIRO, TUESDAY, 13th JUNE, 1899.

PRICE. . . 1\$000

QUAYLE, DAVIDSON & Co.

Rio de Janeiro. Agency in São Paulo
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(ESTABLISHED 1831)

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LONDON AND BRAZILIAN BANK LIMITED.

Capital..... £ 1,500,000
Capital paid up..... ,, 705,000
Reserve fund..... ,, 600,000

HEAD OFFICE: LONDON.

BRANCH OFFICE IN RIO DE JANEIRO

10, Rua da Alfandega

Draws on Head Office and the following Branches and Agencies:

- LISBON, OPORTO, PARÁ,
PERNAMBUCO, BAHIA, SANTOS, S. PAULO
CAMPINAS, RIO GRANDE DO SUL.
PELOTAS, PORTO ALEGRE, MONTEVIDÉO,
BUENOS AYRES, ROSARIO DE SANTA FÉ, AND
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Also on:

- Messrs. Glyn, Mills, Currie & Co., LONDON.
Messrs. Mallet Frères & Co., PARIS.
Messrs. Schroeder & Co., J. H. Schroeder & Co., HAMBURG.
Messrs. Joh. Berenberg, Gossler & Co., HAMBURG
Messrs. Granet Brown & Co., GENOA.

BRASILIANISCHE BANK FÜR DEUTSCHLAND

Published in Hamburg on 16th December, 1897 by the «Direction der Disconto Gesellschaft» in Berlin and the «Norddeutsche Bank in Hamburg», Hamburg.

Capital..... 10,000,000 Marks.

BRANCH OFFICE IN RIO DE JANEIRO.

(Caixa 108)

Branch-offices in São Paulo and Santos.

(Caixa 520) (Caixa 185)

Draws on:

- GERMANY..... (Direction der Disconto Gesellschaft, Berlin) and corresponding.
M. A. von Rothschild Sohn, Frankfurt a M.
ENGLAND..... N. M. Rothschild & Sons, London; Manchester and Liverpool.
District Banking Company, Limited, London.
Union Bank of London, Limited, London.
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Opens accounts current.
Pays interest on deposits for a certain time.
Executes orders for purchases and sales of stocks, shares, etc., and transacts every description of banking business.

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SUCCESSORS OF

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41 AND 43

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Cable address:

WILLE - RIO

P. O. BOX. N. 761

BANQUE FRANÇAISE DU BRÉSIL

AUTHORIZED BY

Decree No. 1432 of 2nd January, 1897

CAPITAL: Fos. 10,000,000 (Ten million Francs)

HEAD OFFICE:

9, RUA LAFITTE, Paris

Branch Office in Rio de Janeiro:

78, Rua da Quitanda

P. O. P. 58

Branches at S. Paulo and Santos

Draws on:

- Head Office.
Comptoir National d'Escompte de Paris, and agencies.
Société Générale pour favoriser le développement du Commerce et de l'Industrie en France, and agencies
Heine & Co.
Lazard Frères & Co.
Périer Mercet & Co.
PARIS AND FRANCE
Union Bank of London, Limited.
London Joint Stock Bank, Limited.
Paris Bank, Limited.
Lazard Brothers & Co.
J. Henry Schroeder & Co.
Kleinwort Sons & Co.
A. Ruffer & Sons.
LONDON
Direction der Disconto Gesellschaft.
Deutsche Bank, Berlin and branches.
Dresdner Bank, Dresden and branches.
Schroeder Gebrüder & Co., Hamburg.
Conrad Heinrich Donner, Hamburg.
Norddeutsche Bank, Hamburg.
L. Behrens & Sohn, Hamburg.
Correspondents in all chief-cities.
GERMANY
J. M. Fernandes Guimarães & Co.
Porto and their Correspondents.
Banco Commercial de Lisboa, Lisbon.
PORTUGAL
Banca Commerciale Italiana, Genova,
Mila, Turin.
ITALY

AND ANY OTHER COUNTRY

Opens accounts-current.
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Manager.

THE LONDON AND RIVER PLATE BANK, LIMITED.

LONDON: Princes Street, E. C.

PARIS: 16, Rue Halévy

Rio de Janeiro:

No. 20, Rua da Alfandega.

Authorized by Decree No. 591 of 17th October, 1894

Subscribed capital..... £ 1,500,000
Realized do ,, 900,000
Reserve fund..... ,, 1,000,000

BRANCHES:

PARIS, 16, RUE HALÉVY, PERNAMBUCO,
PARÁ, BUENOS AIRES, MONTEVIDÉO, ROSARIO,
MENDOZA AND PAYSBANDÚ

DRAWS ON: -

London and County Banking Co., L'd.—LONDON.
Banque de Paris et des Pays Bas.—PARIS.
Banco de Portugal and agencies.—PORTUGAL.
And on all the cities of Europe.

Also on:

Brown Brothers & Co.—NEW YORK.
First National Bank of Chicago.—CHICAGO.

THE BRITISH BANK OF SOUTH AMERICA, LIMITED.

HEAD OFFICE: 2 A. MOORGATE ST

London, E. C.

Capital..... £ 1,000,000
Idem paid up..... ,, 500,000
Reserve fund..... ,, 320,000

Office in Rio de Janeiro:

31, Rua 1º de Março

Branches at:

S. PAULO, SANTOS, BAHIA, PARÁ, MONTEVIDÉO,
BUENOS AIRES AND ROSARIO.

Agencies at Pernambuco, Ceará, Maranhão and
Rio Grande do Sul.

Draws on its Head Office in London:

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Messrs. Heine & Co., PARIS.
Messrs. J. Berenberg Gossler & Co., and correspondents in Germany, HAMBURG.
Messrs. Rosati & Co., and correspondents in ITALY

The Bank of New York, N. B. A. NEW YORK.

Receives deposits at notice or for fixed periods and transacts every description of Banking business.

BANCO DA REPUBLICA DO BRAZIL.

Realized Capital. R\$. 110.150.200\$000

N. B. This capital to be

reduced to R\$. 100.000.000\$ in accordance with Government's Decree of 8th May 1897.

Reserve Fund R\$. 16.143.708\$846

Profits in Suspense R\$. 9.750.846\$817

on 31st December 1898

OFFICE IN RIO DE JANEIRO

9, rua da Alfandega

Agencias at Pará, Maranhão, Ceará, Pernambuco, Bahia, Victoria, Santos, São Paulo, Desterro, Rio Grande do Sul, Porto Alegre & Pelotas.

Draws on:

Messrs. N. M. Rothschild & Sons.
London & County Banking Co Ltd.
Messrs. Baring Brothers & Co Ltd.

LONDON.

Messrs. Hottinguer & Co.
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HAMBURG.

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Opens accounts current:

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Executes orders for purchase and sale of stocks, shares etc. and transacts every description of banking business.

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Having large workshops and efficient plant, are in a position to undertake repairs of all descriptions to ships and machinery.

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Orissa June 20th.
Iberia July 4th.

These popular steamers are fitted with the electric light and all modern conveniences. Cuisine of highest order.

For freights apply to F. D. Machado.

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LAMPORT & HOLT LINE

PASSENGER SERVICE FOR NEW YORK

"Hevelius" 1st. July
"Wordsworth" 17th. "
"Buffon" 2nd. Aug.

The steamer

"COLERIDGE"

sails on the 17th. inst. for

New York

calling at

BAHIA & PERNAMBUCO

Taking 1st and 3rd class passengers at moderate rates.

Surgeon and Stewardess carried.

Illuminated with electric light.

The voyage is much quicker than by way of England and without the inconvenience of transfer.

Weekly cargo steamers for NEW YORK

For freight apply to the Broker

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For passages and further information apply to the

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58, Rua 1.ª de Março.

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SA

Transports Maritimes à vapeur de Marseille

DEPARTURES FOR EUROPE

Béarn 20th. June
Los Andes 8th. July

for

Marseilles, Barcelona, Genoa, and Naples touching Bahia.

Through fares to Paris 1st class f. gold 678

do do 2nd f. 592

do do 3rd f. 199

Through fares to Paris return 1st class f. 1,109

do do 2nd f. 822

do do 3rd f. 264

Marseilles, Genoa, Naples, 3rd class f. 125

Barcelona 3rd class f. 150

AGENTS — KARR VALAIS & Co.

RIO DE JANEIRO, 32 RUA DA ALFANDEGA

SÃO PAULO, 5 RUA MOREIRA CEAR

SANTOS, 17 RUA 15 DE NOVEMBRO

THE BRAZILIAN COAL COMPANY, LIMITED.

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Coal Depôts in all the principal ports of the world. A constant and fresh supply of Cory's Merthyr Steam coal always in Stock.

Prompt delivery at reasonable prices.

Tugboats always ready for service.

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Repairs to Ships, Launches, Machinery, Lighters, etc., effected with the utmost possible dispatch.

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Entrance: Rua Gen. Camara.

Depôt: ILHA DOS FERREIROS.

P. O. Box 774.

ROYAL MAIL STEAM PACKET COMPANY.

Under contracts with the British and Brazilian Governments for carrying the mails.

TABLE OF DEPARTURES.

1899

Date	Steamer	Destination
1899		
June 14	Danube	Bahia, Pernambuco, Lisbon, Vigo, Cherbourg & Southampton.
" 24	La Plata	Bahia, Maceió, Pernambuco, Lisbon, & Southampton or Antwerp.

This Company will have steamers from and to England three times a month.

Insurance, on freight shipped on these steamers, can be taken out at the Agency.

For freight, passages, and other information apply No. 2, Rua General Camara, 1st floor.

C. J. Cazaly.

Superintendent.

NORDDEUTSCHER LLOYD, BREMEN.

Capital 40,000,000 Marks.

Departures from Rio de Janeiro on the 1st and 15th of each month to

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Regular line of Steam Packets between

Bremen — United States
" Brazil
" River Plate
" China, Japan
" Australia.

Passengers and cargo for all parts of the different lines accepted.

Passenger rates 1st-cl. 3rd-cl.
Rio—Antwerp, Rotterdam, Bremen 400 Marks 40
" —Lisbon 350 " 47

For further information apply to

HERM. STOLTZ & CO., Agents.

Rua da Alfandega, No. 63

Rio de Janeiro

Lawyers

VISCONDE DE OURO PRETO

45, Rua do Rosario.

DR. AFFONSO CELSO

DR. RODRIGUES NORTA

DR. BARBOSA DA SILVA

RIO DE JANEIRO

Insurance

NORTH BRITISH AND MERCANTILE INSURANCE Co. Ltd.

Total funds on 31st Dec. 1896..... £ 12,954,532
 Authorized Capital..... " 3,000,000
 Subscribed Capital..... " 2,750,000

Agents in Rio de Janeiro: **PULLEN, SCHMIDT & Co.**
 107, Rua de Quitanda.

THE MANCHESTER FIRE ASSURANCE Co.

Fire Insurance Capital..... 2,000,000
 Reserve..... 751,282

General Agent, **H. DAVID DE SANSON.**

45 RUA DO OUVIDOR

RIO DE JANEIRO

ALLIANCE MARINE AND GENERAL ASSURANCE COMPANY LIMITED

LONDON
 Capital..... £ 1,000,000

President, **LORD ROTHSCHILD**

Marine risks on Specie and Merchandise accepted to any port.

JOHN MOORE & Co. Agents.

Rua da Candelaria, 8

LONDON AND LANCASHIRE FIRE INSURANCE CO.

Capital (fully subscribed)..... £ 2,127,500
 Reserve fund..... 676,353

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No. 59, Rua 19 de Março, Rio de Janeiro.

No. 21 A, Rua da Quitanda, S. Paulo.

ROYAL INSURANCE COMPANY
 LONDON AND LIVERPOOL.

Capital..... £ 2,000,000
 Accumulated Funds..... £ 9,244,903

Insures against the risks of fire, houses, goods and merchandise of every kind.

John Moore & Co., agents

No. 8, RUA DA CANDELARIA, No. 8

C. N. LEFEBVRE
 23, RUA DA CANDELARIA 23
 Rio de Janeiro
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BLACK BOTTLE.

Ask for

D. C. L.

(BLACK BOTTLE)

SCOTCH WHISKY, The Finest Scotland Produce.

"D.C.L." Whisky is a delicious and finely blended whisky of excellent flavour, which, while maintaining all the due stimulating properties of the spirit, has been mellowed by age into a perfectly wholesome and mild beverage. The large scale upon which the distilling and blending of "D.C.L." is carried out guarantees regularity in quality a great advantage, which whisky drinkers often miss in other brands.

The Rhyme and Reason of "D.C.L."
 D. stands for "Distillers" of Scotland the pride,
 C. for the "Company" whose fame is world-wide,
 L. signifies "Limited" affixed to the name,
 And that's how the title of "D.C.L." came.

CHARLES HUE
 COMMISSION MERCHANT
 Ship Agent

7 RUA FRESCA 7

A large stock of chandlery goods and Tools also Ropes, chains and Canvass of best qualities always on hand

THOMAS J. LIPTON

LIPTON'S Teas,
 LIPTON'S Hams,
 LIPTON'S Jams,
 LIPTON'S Pickles,
 LIPTON'S Groceries.

115, Rua da Quitanda.

Champagne Piper Heidsieck

From the old firm Heidsieck
 ESTABLISHED IN 1785

Carte Blanche,
 Sec, Brut Extra.

115 RUA DA QUITANDA 115

Hotel

CARSON'S HOTEL

RUA DO CATETE, 158.

Proprietor, **CARLO RIBOLZI**

This well known house is situated in the most convenient locality in Rio, within 20 minutes of the centre, and with the electric tram passing the door every 5 minutes.

Beautiful and spacious garden, plentiful water supply, baths and excellent hygienic arrangements.

Has been patronized for years by British and other foreign visitors as well as by most of the leading Brazilian families.

Sea Baths within 5 minutes walk.

Moderate terms and good attendance.

JOSE WEISSOHN & Co.

Importers of all kinds of Cotton & Woollen Goods

COMMISSION & CONSIGNMENTS

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The Lexivia Phenixa of J. PICOT

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PARIS.

36, RUE D'ENGLIEN

Telegraphic Address:

WEISSOHN, PARIS.

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HERMANN BURCHARD & Co.

Importers of

DRY-GOODS, SMALL WARES & SEWING-MACHINES

P. O. Box, 96.

Telegraphic Address, DUODECIMO.

SÃO PAULO

NOTICE

MINISTRY OF INDUSTRY, RAILROADS
AND PUBLIC-WORKS

RIO DE JANEIRO, 17 APRIL, 1899.

By order of the Minister of Public Works and in accordance with § 8 art 3 of law No 559 of the 31st December 1898, it is hereby notified that up to the 31st July of the current year at 1 p.m. proposals will be received at the office of the Director of Public Works of this Ministry, and in London, Paris, Antwerp and Hamburg at the respective legations and consulates, for the lease of the following railroads:—1st. The Estrada de Ferro Sul de Pernambuco (Southern of Pernambuco Railway) situated in the State of Pernambuco, Length under traffic 193 kilometres 908 metres. Gross Revenue in 1897—Rs. 533:189\$046.

2nd. Estrada de Ferro São Francisco (São Francisco Railway) situated in the State of Bahia with 452 kilometres 310 metres of line under traffic. Gross Revenue in 1897—Rs. 1.899:701\$015.

Both in accordance with the following specified clauses.

I.—The lease shall be for a period of sixty years, Government reserving the right after the lapse of thirty years to expropriate same, with previous authorization of the Legislature as also to take possession of the lines and rolling stock independent of such authorization when required for military purposes.

In case of expropriation the value of the railway will be paid in currency and be capitalized by taking 5 % of the net revenue and multiplying that by the number of years yet to expire to the termination of the contract or lease which will be added to the unredeemed capital actually invested by the lessee in works and improvements of the road.

In case of temporary occupation of the road by the State the lessee may claim indemnization, never greater than the average of the net revenue of the line corresponding to the five years preceding the occupation by Government.

II.—Conditions of the lease will comprise:—

(a) An initial instalment to be fixed by the tenderer not less than 100:000\$ (One hundred Contos of Reís).

(b) An annuity payable in currency of the Country every half year, to be calculated as a percentage on the gross revenue of the railway.

(c) An instalment equivalent to 20 % of the revenue shown by the books to have yielded more than 12 % interest on the capital actually employed on the line.

The preference will be determined, in choice of tenders, principally by the relative value of the instalments offered under clauses (a) and (b).

III.—A certificate of having effected in the Federal Treasury or in the Delegation of same in London the deposit of Rs 5:000\$ as guarantee of signature of the contract, must be presented together with each tender.

The tenderer who should be preferred and fail to sign the contract within 30 days from the date of publication of same having been assigned to him, will forfeit that deposit in favour of the National Treasury.

IV.—Expenses for Fiscalization of the line will be on account of the lessee and will be fixed in the corresponding contract at between twelve to twenty five contos of reís per annum, payable in half yearly instalments in advance.

V.—The lessee will maintain the permanent way, buildings, workshops and dependencies, as well as the fixed material and rolling stock, all in perfect order, and will be obliged to add to the rolling stock in accordance with the necessities of the traffic. When the period of the lease expire, he will, moreover, deliver to Government, without indemnization of any kind, the permanent way, buildings, workshops and dependencies as well as the fixed material and rolling stock, all in perfect condition.

For the renewal of the rolling stock, apparatus, instruments, and office appliances a special fund will be constituted by the annual deduction of 4 % from the gross revenue to which will be added such sums as may be derived from the sale of the material replaced.

VI. The lessee will have the preference for the construction of extensions or branches serving the development of the line or for facilitating its traffic, without prejudice of previous rights acquired by third parties.

He may, moreover, construct new lines or double the existing lines on the whole length of the line in those districts where such works become necessary.

VII. The leased lines will enjoy the right of expropriation as well as of exemption from import duties on the material imported for their own use.

VIII. The lessee will have the right to claim the revision of tariff rates, and will be authorized to apply a sliding scale varying

with the rate of exchange and alter the time tables, all in agreement with Government.

Government reserves the right to reduce tariffs on articles of prime necessity in case of public calamities, as also to subject the service of the railways to enquiries and investigations whenever the public welfare seem to demand it.

IX. The legal domicile of the lessee for all judicial proceedings must be constituted in the Country where all questions that arise must be tried, and if the lessee reside abroad he must appoint an agent with full powers to represent him in the Capital of the Republic.

X.—The Government reserves the right of imposing fines of 1:000\$ to 15:000\$ (one to fifteen contos of reís) and the penalty of rescision of the contract itself in consequence of unjustifiable delay in payment of any sum due to the Treasury connected with the lease as for any other infraction of the contract.

The suspension of traffic for more than 15 days without sufficient justification, or the delay of more than 40 days in the payment of the annuity stipulated in the contract will be regarded as sufficient causes for the rescision of the contract.

XI.—On signature of the contract a guarantee equivalent to 100:000\$ (one hundred contos of reís) for each line leased, must be effected either in money or in bonds (*apólices*) of the Public Debt, and deposited in the National Treasury in guarantee of the faithful execution of the contract, which will be forfeited in case the contract should be rescinded in consequence of failure to comply with the conditions stipulated therein.

This contract shall be maintained in its entirety throughout the whole period of its duration.

XII.—The ruling dispositions as regards the police, fiscalization and statistics of railways, not in contradiction to the contract itself, will be likewise applicable to the lessee or Company to which the contract may be transferred.

(Signed) *Cactano Cesar Campos*, Director General of the Department of Works and Railways. April 17th 1899.

MINISTRY OF INDUSTRY RAILROADS AND PUBLIC
WORKS

Rio de Janeiro, 17 April 1899

By order of the Minister of Public Works and in accordance with § 8 art. 3 of law No 559 of the 31st December 1898, it is hereby notified that up to the 31st July of the current year at 1 p. m., proposals will be received at the office of the Director of Public Works, of this Ministry, for the lease of the Paulo Afonso Railway in the State of Alagoas, having 16,908 metres of line in traffic and a gross revenue in 1897 of 49:984\$420, in accordance with the following specified clauses.

I.—The lease shall be for a period of sixty years, Government reserving the right after the lapse of thirty years to expropriate same with previous authorization of the legislature, as also to take possession of the lines and rolling stock independent of such authorization when required for military purposes.

In case of expropriation, the value of the railway will be paid in currency and be capitalized by taking 5% of the revenue and multiplying that by the number of years yet to expire to the termination of the contract or lease, which will be added to the unredeemed capital actually invested by the lessee in works and improvements of the road.

In case of temporary occupation of the road by the State, the lessee may claim indemnization never greater than the average of the net revenue of the line corresponding to the previous five years preceding the occupation by Government.

II.—The terms of the lease will be as follows:

(a) An initial instalment that will be appraised by the tenderer but shall not be less than 25:000\$. (Twenty five contos of reís).

(b) An annuity payable in currency of the Country every half year to be calculated as a percentage on the gross revenue of the railway.

(c) An instalment equivalent to 20 % of the revenue that according to the balance shown by the books shall have yielded more than 12 % interest on the Capital actually employed on the line.

The preference will be determined in choice of tenders principally by the relative value of the instalments offered under clauses (a) and (b).

III. A duly authorized certificate of the deposit in the Federal Treasury of the sum of Rs. 5,000\$ having been effected as guarantee of signature of the contract must be presented together with each tender.

The tenderer who should be preferred and fail to sign the contract within 30 days from the date of publication of its having been assigned to him, will forfeit that deposit in favour of the National Treasury.

IV. Expenses for fiscalization of the line will be on account of the lessee and will be fixed in the corresponding contract at between six to twelve contos of réis per annum, payable in half yearly instalments in advance.

V. The lessee will maintain the permanent way, buildings, workshops and dependencies, as well as the fixed material and rolling stock, all in perfect order and will be obliged to add to the rolling stock in accordance with the necessities of the traffic. When the period of the lease expire, he will moreover deliver to Government, without indemnization of any kind, the permanent way, buildings, workshops and dependencies, as well as the fixed material and rolling stock, all in perfect condition.

For the renewal of the rolling stock, locomotives, apparatus, instruments and office appliances, a special fund will be constituted by the annual deduction of 4% from the gross revenue, to which will be added such sums as may be derived from the sale of the material replaced.

VI.— The lessee will have the preference for the construction of extensions or branches serving the development of the line or for facilitating its traffic, without prejudice of previous rights acquired by third parties.

He may, moreover, construct new lines or double the existing lines on the whole length of the line in those districts where such works become necessary.

VII.— The leased lines will enjoy the right of expropriation, as well as of exemption from import duties on the material imported for their own use.

VIII.— The lessee will have the right to claim the revision of tariff rates, and will be authorized to apply a sliding scale varying with the rate of exchange and alter the time tables, all in agreement with Government.

Government reserves the right to reduce tariffs on articles of prime necessity in case of public calamities, as also to subject the service of the railways to enquiries and investigations whenever the public welfare seem to demand it.

IX.— The legal domicile of the lessee for all judicial proceedings must be constituted in the Union, where all questions that arise must be tried, and if the lessee reside abroad he must appoint an agent with full powers to represent him in the Capital of the Republic.

The suspension of traffic for more than 15 days without sufficient justification, or the delay of more than 40 days in the payment of the annuity stipulated in the contract will be regarded as sufficient causes for the rescision of the contract.

X. The Government reserves the right of imposing fines of 1,000\$ to 15,000\$ (one to fifteen contos of réis) and the penalty of rescision of the contract itself in consequence of unjustifiable delay in payment of any sum due to the Treasury connected with the lease, as for any other infraction of the contract.

XI. On signature of the contract a guarantee equivalent to 50,000\$ (fifty contos of réis) for each line leased, must be effected either in money or in bonds (aplices) of the Public Debt, and shall be deposited in the National Treasury in guarantee of the faithful execution of the contract, which will be forfeited in case the contract should be rescinded in consequence of failure to comply with the conditions stipulated therein.

This contract shall be maintained in its entirety throughout the period of its duration.

XII. Government will take into consideration proposals the terms of which are not strictly restricted to the conditions laid down in this notice only in case no other tender shall have been presented in the strict terms of this edict, in which case it would enjoy the preference.

XIII. The dispositions as regards the police, fiscalization and statistics of railways, not in contradiction to the contract itself, will be likewise applicable to the lessee or Company to which the contract may be transferred.

(Signed) — *Caetano Cesar Campos*, Director General of the Department of Works and Railways.—April 17th 1899.

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14	Wanda	Royal Mail	Southampton
20	Rissa	P. S. N. Co.	Liverpool
21	Brsil	Messageries Maritimes	Bordeaux
28	Magdalena	Royal Mail	Southampton
July 4	Corona	P. S. N. Co.	Liverpool
5	La Plata	Messageries Maritimes	Bordeaux
12	Nile	Royal Mail	Southampton
FOR THE RIVER PLATE AND PACIFIC			
June 14	Magdalena	Royal Mail	River Plate
18	La Plata	Messageries Maritimes	do
21	Orillana	P. S. N. Co.	Montevideo, Pacific
28	Nile	Royal Mail	River Plate
July 3	Corona	Messageries Maritimes	River Plate
4	Orpiza	P. S. N. Co.	Montevideo, Pacific
12	Clyde	Royal Mail	River Plate

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Notes

The week. The unexpected always happens, especially in Brazil, where the most extraordinary surprises are sprung on the public without any warning or preparation. Anything more fantastic, however, than the American-Bolivian embroglio it would be hard for even tropical imagination to invent, the difficulty being to comprehend how any one could conceive such a rignmarole of improbabilities.

As our readers are probably aware, there has been a frontier question with Bolivia and the right of recovering export duties on rubber shipped from the district in dispute, over which there has

been a pile of newspaper correspondence and not a little official friction. A Pará paper now asserts that it held in its possession official correspondence between the ex-Bolivian envoy and agent, Paravicini, and the United States Consul at Pará and Minister at Rio, undertaking to protect and aid Bolivia in case of war and generally back up Bolivian pretensions to the disputed territory. In exchange United States' products were to be exempt from payment of import duties, and preferential duties 1/4 of those for other countries, were to be levied on rubber shipped to the United States; besides the cession of the disputed territory *in dominio* to the United States as reward for assistance should there be war.

No doubt a vantage ground on the Amazon and control of the great and growing rubber trade would be a *bonne bouche*, but even so might be too dearly purchased. The whole matter is, however, too absurd to merit serious consideration. Any attempt of the kind, particularly on the part of the States, would but be the signal for the threatened partition of S. America.

For commercial reasons alone no great European power would even consent to the United States or any one else controlling the Amazon and shutting the "open door." Besides it is certain that the United States Government is doing all in its power at the present moment to conciliate and attract the sympathies of S. American countries, in which it is ably backed up by its diplomatic representatives, here at least. The coming exhibition of Philadelphia is another proof of the desire of the United States to cultivate friendly and intimate relations, and nothing but an excited and disordered imagination could have conjured up visions of possible aggression by a Country whose interests, on the contrary, lie in encouraging the peaceful development of commercial relations.

The matter has, however, caused great excitement in Rio and even in Congress. It will, we are convinced, prove but a nine days wonder, a storm in a tea cup that will soon blow over and be forgotten.

This fantastic incident, like that of the Wilmington and the ill will and distrust at present evidenced towards America, generally, are, however, signs of the times; they are not generated spontaneously, but an outcome of specific and definite causes, not wholly without reason.

The United States that for a century has been regarded as the model of all that was great and free, the paladin of the oppressed and feeble peoples, seems to them to have now abandoned its noble traditions and joined the ranks of the oppressors. The fate of Cuba and the Philippines to day may, to such imaginations, be that of the Amazon or the Plate to morrow; whilst the foolish after-dinner oratory and reckless jingoism of the press ever since the war, unsparing in its threats to S. America on both sides of the Atlantic, has turned confidence into suspicion and served but to enhance and justify what seemed lately but a phrase — the *desillusão Americana!*

That the visit of General Roca to this city will have valuable results, even should such results be of a moral rather than a material nature, there can be little doubt. The two countries so long estranged by the Missions dispute have absolutely no real cause for either distrust or dislike. As the *Nacion* says "the relations of the two countries are so friendly already as to dispense with the necessity of interchange of visits." The object must, therefore, hinge on other subjects, either of general S. American policy and, perhaps, alliance to resist external aggression as has been advanced, or on the commercial policy of the two countries. We ourselves believe that the true object of General Roca's visit is directed more to demonstrate the friendly and cordial spirit in which they regard their Brazilian neighbours than to found any definite international political programme or to obtain concessions for trade. The first step towards one and the other is, unquestionably, to inspire the conviction that neither has anything to fear but all to gain by neighbourly intercourse. Once that is effected the course is cleared for future common action, be it in political or commercial fields. At the same time, there can be no doubt that a liberal commercial policy of give and take between countries so intimately allied by nature will be advantageous to both, materially and morally, and contribute powerfully to their *entente*. Unfortunately the errors of the past stand like lions in the path. Our insane protection in one and the other country has created artificial industries and vested interests too powerful to be overlooked even to found an international policy. But even so there are lines on which agreement

might be come to, by which Commerce between the two countries might be powerfully stimulated. Such, for example, might be discovered in the preferential treatment of Argentine flour on the one hand and Brazilian *mole* on the other. In a similar manner *xarque* and tobacco might be counterbalanced and even something be done to favour Brazilian sugar.

If, in reality, the visit of President Roca is intended to foment more intimate commercial relations between the two countries, it would be well that a definite programme should be drawn up beforehand, as, otherwise, the visit is likely to prove as sterile in practical results as the *Nacion* says "the meeting between the Argentine and Chilian Presidents did for similar reasons."

The International Commercial Congress at Philadelphia. The opening session on 10th October of the current year is to be presided over by the President of the United States. The exposition will be the first of the kind held in the United States. It will comprise a textile section, showing American Piece Goods of weight, widths and patterns most in favour abroad, electrical machinery with the necessary powers, agricultural machinery, implements and tools, farm yard, waggons, carts etc., as also a shoe, belt and leather section; one for novelties, carpet and upholstery and a special section devoted to transportation. Another section will show how goods must be packed for different markets.

The Estimates for the Ministry of Public Works etc., for the coming year 1900, shows an expenditure of 82,615,032\$452 as against 83,500,642\$684 voted for 1899, a reduction of 885,610\$232. Should the State railways of Bahia and Pernambuco be leased, as is expected, a further reduction of 2,149,200\$ will be effected in this budget and the estimates reduced to 80,299,402\$852.

The 1868 Internal loan. The *Jornal do Commercio* states that the Government has determined to issue local bonds on similar conditions to those issued in London for funding the interest of the 1868 issue of which there are some 11,584,500\$, equivalent at 27d. to £ 1,303,256 in circulation. The *Jornal* adds that these bonds will be redeemable at the option of holders at the rate of quotations of the London emissions of Fundings in that market, we confess we cannot comprehend this reference. According to the London agreement amortisation is suspended for 13 years on all the bonds funded under that arrangement.

During the month of May the sale of gold *vales* or cheques by the different authorised local Banks was as follows:

German Bank	£ 22,969.15s. 5d.
French Bank	„ 15,055.12s. 8
London & River Plate Bk.	„ 10,643.16s. 11
London & Brazilian Bk.	„ 4,194.17s. 2
Banco da Republica	„ 3,398.13s. 7
British Bk of S. America.	„ 1,483.0s. 0
Banco Nacional	„ 661.0s. 0
	£ 58,406.13s. 11

What Government is doing. The *Noticia* of 10th June states that "the Treasury is about to remit to Messrs Rothschild in London the sum of £ 105,915.9s. 5d with the object of founding a reserve in accordance with the funding scheme." The *Noticia* then proceeds to enumerate the different remittances already effected this year, which for the convenience of our readers we tabulate as follows:—

	REMITTED SINCE 1 JANUARY	
	£	Mils
For the service of the Funding loan.	79,025	2,531:974\$
Amortisation and service of Treasury Bills issued in 1897.	415,000	13,280:000\$
Legations, Consulates, purchase of nickel for coinage, guarantee of Assoc. Commercial and Amazon Telegraph.	96,644	2,375:496\$
About to be remitted to serve as Reserve fund	105,945	3,200:000\$
	£ 696,614	\$ 21,387:470\$

The whole of this large sum has been remitted without the necessity of Government entering the market, entirely from the product of the recovery of 10 p. c. of import duties in gold. The advantage of that measure, that we so warmly supported, is now put beyond the possibility of a doubt.

In addition to these remittances, government has burned 24,000,000\$ of paper money; has redeemed the 1879 internal gold loan at an expenditure of 32,400,000\$; and treasury bills in circulation to the amount of 21,000,000; repaid the Bank of the Republic 11,000,000\$ owing to it; and paid off other debts of former Governments to the sum of 14,000,000\$, making the total of 123,787,470\$ paid since 1st January; there still remaining a balance of 3,169,129\$ currency to the credit of the Treasury in the Bank of the Republic as well as 1,171,066\$ gold; and nearly £ 130,000 in the Treasury itself, equivalent to 3,900,000\$ currency.

This is the best possible reply that Government could give to those who question its policy and its results. Unless revenue were increasing it would be impossible to have done what has been done. It is true the Country has the advantage of the suspension of specie payments abroad, but, in exchange, it has to deposit or burn 40,000,000\$, even at current exchange more than £ 1,000,000\$; pay off £ 1,000,000 of Treasury bonds, which makes up £ 2,000,000 as against the relief of £ 3,000,000 afforded by the funding arrangement. That the Country has overcome all its difficulties is not pretended. There is yet much to reform, much to repair. But to all who have the interests of the Country really at heart, and observe, in the course things are taking, the certain promise of improvement and rehabilitation in the not distant future to all those who through good or bad fortune, through good and evil report, maintained unaltered their trust and confidence in the resources of the Country to overcome its difficulties and in the determination of Brazilians to do so, the foregoing statement can be only a matter for congratulation and satisfaction.

What was wanted was a definite programme and firm will to execute it, and, however we may differ as regards the ultimate objective of that programme—the elevation of exchange, it cannot be disputed that the conception of the financial programme is as thorough as its execution by the present Government is vigorous.

On Friday, 9th June, 2,000,000\$ more paper-money was incinerated making 24,000,000\$ in all.

Books Received. *Report of the Evangelical Hospital at Rio de Janeiro*. The building at the *Fabrica das Chitas* is yet far from completion, but we are unable to make out from the Report how much is required to finish it. The Endowment was raised during the past year by 20,892\$580 to 96,963\$890.

The Prevention of Leaf Disease in Coffee, published for *Planting Opinion*, Madras, price 8 annas. This Pamphlet is in fact a very complete little treatise on the Coorg district cultivation and treatment of the Coffee plant. It includes chapters on shading, cultivation, weeding, manures, crossing and hybridising, coffee rust and leaf rot and their remedies, catch cropping and other subjects of interest to the planter. We hold one copy at the disposal of any planter desirous of knowing what latest science has to say on these subjects.

COMPARATIVE EXPORTS TO BRAZIL

	FOR THE FIRST QUARTER OF 1898 AND 1899		
	1898	1899	Inc. or Dec.
United Kingdom.	£ 1,454,000	£ 1,283,000	— 11,7%
France.	400,600	446,960	+ 11,5%
Argentine Republic.	288,135	339,217	+ 17,7%
U. States	503,852	412,022	— 18,2%
	£ 2,646,587	£ 2,481,199	— 6,3%

German statistics only specify quantities and not values, but judging from aggregate metrical tonnage for the quarter, there has been a falling off from this direction from 16,980 to 13,761 metrical tons equivalent to 19%.

In any case it is certain that the general shrinkage of imports this year is not so large as is generally supposed, probably not exceeding eight or nine per cent. At Rio and Santos, which re-

present 57% of the total imports of the Country, it is doubtless much greater, but this is compensated by other districts where the falling off is less and others again where there is a positive increase, such as Pará and Maranhão.

Exports from these countries, to the whole of Brazil for three months, amounted to £ 2,481,199 or allowing 20 % more for freight and expenses, £ 2,977,438 represent the c.i.f. value of their exports to this country for the first quarter of this year.

Imports from these countries according to Custom House statistics represent on an average 67 % of those from all countries and, consequently, the total value of exports from other countries to Brazil will be approximately £ 2,254,700 for the quarter, and if importation continues on the same scale throughout the year, amount to £ 18,940,000 for the whole year.

The present rate of imports is therefore equivalent to nearly £ 1,580,000 per month for the whole of Brazil, of which Rio and Santos account for 57% or £ 900,600 per month. This we believe may be regarded as a pretty fair approximate valuation of exports from all countries for the first quarter of this year and perhaps the minimum rather than maximum.

IMPORTATION OF FOOD AND OTHER PRODUCTS AT RIO DE JANEIRO

The statistics published in a late number of the *Jornal do Commercio*, by Cap. José Carlos de Carvalho, managing director of the *Docas Nacionaes*, give the following results:

		1894	1898	Ino or Dec %
Food Products				
Rice	bags	1,014,015	1,130,324	-40.9
Cod Fish	kilos	7,611,722	8,022,850	+ 5.4
Dried meat	»	47,165,434	42,666,780	- 9.5
Lard	»	4,928,868	2,906,190	-41.1
Beans	bags	Nil	94,136	-
Wheat Flour	barrels	603,329	273,137	-54.7
Bran	bags	158,669	8,335	-94.7
Butter	cases	69,551	44,478	-36.0
Macaroni	»	33,972	1,101	-95.6
Maize	bags	859,833	422,286	-50.9
Bacon	kilos	11,150,820	2,456,016	-77.9
Wines etc.				
Wine	(Pipes	78,863	64,567	-18.1
	Barrels	5,495	6,824	+14.3
	Hogsheads	8,861	5,634	-36.4
	Cases	229,448	248,954	+ 8.5
Beer	cases	51,187	1,190	-97.6
Gin.	»	26,191	11,286	-57.7
Other products				
Hay	kilos	20,257,564	13,939,303	-31.1
Kerosene	cases	485,933	430,286	-11.4
Candles	»	14,551	5,898	-60.0

Without other complementary data the above statistics are often insufficient to warrant definite conclusions as regards the imports at Rio de Janeiro; it is probable, however, that part of the shrinkage of 40.9 since 1894 is due to greater local production, which has unquestionably increased of late years. The rest, however, is probably the effect of the substitution of other and cheaper local produce as an article of diet. Brazil should with a little energy be able to produce rice, not only sufficient to satisfy its own consumption, but for export on a large scale, and when the incomparable grounds of the Amazon valley are brought under cultivation, as is now projected by the Government of Pará, an enormous development of this branch of production may be expected. The total value of rice imported in 1898 is calculated by Dr. Carlos de Carvalho at 24,867,128\$, or about £ 800,000 giving an average of 16s per bag.

Imports of Cod fish have increased and of dried meat fallen off almost equally.

Lard shows a great shrinkage, though very irregular, having fallen from 4,928,868 kilos in 1894 to 1,703,952 in 1896, risen again to 3,132,690 kilos in 1897, and fallen again to 2,906,190 in 1898.

It is difficult to account for such oscillations, which seem to be entirely capricious or obey purely local conditions of production, as neither tariffs nor the fall of exchange seem to have much influence upon them. In 1898, tariffs were lowered and exchange rose, but imports fell off. In 1897 exchange fell heavily and tariffs were abnormally high, but imports increased.

It is certain that Brazil could produce all it requires of this article, and, with a little more care in its preparation, oust the foreign article entirely. Dr. Carvalho calculates the value of imported lard in 1898 to have been 5,882,129\$ or about £ 196,070 at Rio alone. Bacon, on the other hand, shows a positive and regular decline since 1894, when 11,150,820 kilos were imported, falling to 8,67 and 2 million and odd kilos in 1895, 96, 97, and 98 respectively.

There can be no doubt that in this case the native article has replaced foreign imports, and an important saving been effected for National Economy — as Dr. Carvalho estimates 10,000,000\$. Dr. Carvalho's figures in this instance represent the retail price and not c.i.f. value, but even allowing it to be reduced to half, 5,000,000\$ or £ 167,000, it is a welcome and valuable saving.

Maize (corn), too, shows a great shrinkage of 50.9 % due to local production, and all descriptions of wines and liquors, except wines in cases and barrels, even in this instance cheaper wines having been substituted.

Hay shows a decrease of 31. %, that we are afraid has been arrived at by stinting the poor *burro* (mule) of his food as there is little or no local production. What little there is in Rio Grande do Sul being insufficient for even the consumption of that State.

There is no doubt that alfafa can be grown as well and on as large a scale in Rio Grande and Paraná as in Buenos Aires. It requires only capital and energy to produce all the hay we want and more too. We have always urged the cultivation of Alfafa (lucerne) in Rio Grande do Sul on a large scale, as is done in Buenos Aires, and believe that a large fortune awaits those who undertake it in a proper manner. We know several localities close to a port without drawback of any kind where it would certainly be successful, and urge upon Government the advantage of an experimental farm, illustrative of the proper methods to be adopted.

Dr. Carvalho estimates the alfafa imported in 1898 at 2,513,594\$, or more than £ 80,000 at Rio alone. It is probable that the rest of Brazil imports as much again.

Imports of Candles have shrunk 60 % in consequence of local production. Unfortunately great part of the raw material is still imported, so the saving in this respect is not considerable.

Turning to cereals and other products, we find the flour in barrels from the United States has declined annually since 1894 and reached 54.7 % in 1898, whilst Bran has fallen off still more, 94.7 %. These figures, however, tell us little unless completed with the statistics of imports of flour in bags and of wheat from the Argentine Republic, which have grown perhaps more than flour from the United States has diminished.

What is certain is that the shrinkage of flour imports is not derived from local production; so far, the production of wheat is insignificant and, so long as it can be so cheaply bought in Argentina, appears unnecessary.

From other sources we find that exports of wheat from Buenos Aires to Brazil alone amounted to 73,377 tons as against 46,639 tons in 1897. Naturally, as wheat pays no duty and flour is heavily taxed, it is more profitable to mill here than in Buenos Aires. The former material, however, is not Argentine and the saving thus effected cannot be considerable. With a rising rate of exchange we must look for disturbance of the conditions that have so powerfully contributed to the development of local production in many branches. Already there are signs of increasing activity in exports from Argentina, where up to May 18th only 28,733 tons of wheat had been shipped to Brazil as against 35,960 for the same period in 1898, whilst shipments of flour have been very heavy.

Maize, too, shows a very large increase from only 3,459 tons in 1898 to 16,817 tons this year, though probably most is for the Northern States.

That there has been a vast improvement lately cannot be doubted; the Country is now learning to provide itself, but it should be borne in mind, too, that the prohibitive cost of similar imports, brought about chiefly by the fall of exchange, will be largely destroyed, unless compensated, in some manner, by any considerable appreciation of the currency.

Is it then, taking other circumstances into consideration, advisable, even from a financial point of view, to follow a policy that must result in an artificial appreciation of the currency and fall of prices?

DRINK FRANZISKANER BRÄU and PILSENER, the best in Rio.

H. E. Hime.

J. C. de Figueiredo.

H. R. Beans.

14, RUA DA CANDELARIA

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T. SIMON

E. T. Simon

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Money and Share Market

QUOTATIONS DURING THE WEEK, ENDING JUNE 9th 1899
WERE AS FOLLOWS:

(COMPILED, BY PERMISSION, FROM THE FIGURES GIVEN DAILY IN THE JORNAL DO COMMERCIO)

June	Maximum and Minimum Bank Counter Drawing Rates						OFFICIAL RATES							
	90 d/s			SIGHT			90 d/s			SIGHT				
	London	Paris	Hamburg	Italy	Portugal	New-York	London	Paris	Hamburg	London	Paris	Hamburg	Italy	New York
Sat. 3	7 7/8	1.202	1.331	1.124	1.300	6.328	7 15/16	1.201	1.483	7 29/32	1.203	1.489	1.110	6.232
Mon. 5	7 7/8	1.192	1.172	1.124	1.170	6.278	7 31/32	1.197	1.477	7 15/16	1.210	1.483	1.112	6.228
Tues 6	8 1/16	1.193	1.181	1.093	1.170	6.228	8 1/16	1.187	1.480	8 1/32	1.187	1.469	1.118	6.153
Wed 7	8 1/16	1.171	1.169	1.101	1.170	6.183	8 1/8	1.174	1.449	8 7/64	1.173	1.452	1.119	1.091
Thur 8	7 15/16	1.192	1.172	1.111	1.170	6.278	8 1/32	1.187	1.466	8	1.192	1.472	1.132	6.179
Fri 9	7 7/8	1.201	1.437	1.124	1.170	6.328	7 31/32	1.197	1.477	7 15/16	1.201	1.481	1.150	6.228
Average	7 31/32	1.193	1.177	1.112	1.170	6.307	8 1/64	1.189	1.469	7 63/64	1.195	1.471	1.137	1.189

Monday June 5th. All the Banks posted 7 15/16 as their counter rate excepting the German that adopted 7 7/8. In the course of the day the National changed it to 7 29/32 and just before closing hours the German Bank raised its rate to 8d.

The market opened firm with the Banks drawing freely at 7 15/16 and refusing to buy under 8d. Later on rates rose to 7 31/32 for bank and 8 1/32 for private paper. Soon after rates fell and the foreign Banks drew at 8d, but an active demand springing up they lowered it again to 7 31/32 at which, however, it was firm. The market closing with the German Bank drawing at 8d and followed by all the Banks, private being quoted at 8 1/16 and 8 3/32.

Tuesday June 6th. The British Bank opened with 8 1/32 as its counter rate, whilst the others posted 8d, but in the course of the day the British, London & R. Plate and National Banks raised it to 8 1/16, which soon after the National withdrew and the London & R. Plate lowered to 8 1/32.

The market opened with the Banks buying at 8 1/8 and drawing at 8 1/32 with business done in private paper at 8 3/32. Soon after bank paper was quoted at 8 1/16 with business done at 8 3/32, but owing to a fair demand the London & R. Plate Bank drew at 8 1/16 under conditions, private being done at 8 1/16 and 8 3/32. In the afternoon the rates were slightly weaker, bank paper being quoted at 8 1/32 and 8 1/16 and private paper at 8 3/32 and 8 1/8, the market, however, closing ultimately firm with the Banks drawing at 8 3/32 and private paper quoted at 8 1/8 and 8 5/32.

Wednesday, June 7th. All the Banks opened with the counter rate of 8 1/16, excepting the British which posted 8 3/32, which it reduced immediately to that of the other banks. In the course of the day the German Bank raised its rate to 8 1/8 lowering it again however, almost immediately to 8 1/16.

The market opened firm with the banks drawing at 8 1/8 and private paper being done at 8 3/16, but demand having sprung up the rates fell, bank paper being quoted at 8 3/32 and private outside

the banks at 8 1/8. Soon after the rates again became firmer, the banks drawing at 8 1/8 with conditions, but demand appearing the rates again weakened to 8 1/16 for bank, buyers freely offering 8 1/8, the market ultimately closing weak with bank paper quoted at 8 1/32 and 8 1/8 and with buyers of private at 8 3/32.

Thursday June 8th. All the Banks posted 8d as their opening counter rate which the German British and French Banks lowered to 7 15/16 in the course of the day.

The market opened with the Banks drawing at 8d and buying at 8 1/16, rates rising until bank paper reached 8 1/16 with sellers asking 8 3/32 at which some business was realized. Soon after rates fell and bank paper was quoted at 7 15/16 and private at 8d, rising again almost immediately to 8d for bank and 8 1/16 for private paper with a quiet market. Just before closing hours the rates again gave way to 7 31/32 for bank paper and finally closed with bank paper quoted at 7 15/16 and 7 31/32 and 8 and 8 1/16 for private paper.

Friday, June 9th. All the Banks posted 7 15/16 as their opening counter rate which in the course of the day the German lowered to 7 7/8 and the French to 7 29/32.

The market opened with bank paper quoted at 7 15/16 and 7 31/32 and private at 8d, which soon after fell to 7 7/8 for bank paper with a small business done at 7 29/32 and private to 7 15/16. As bills were obtainable at 7 15/16, rates rose again, bank paper being quoted at 7 29/32 and 7 15/16 and private at 7 31/32 and 8d, there being also rumours of bills from Santos being offered at these rates. The market closed weak with bank paper quoted at 7 7/8 and 7 29/32 and private at 7 15/16 and 7 31/32 with buyers of prompt bills at 7 15/16.

Saturday, June 10th. All the Banks opened with 7 7/8 as their counter rate, which later on was raised to 8d by the German, 7 15/16 by the British and 7 29/32 by the National.

The market opened with bank paper at 7 7/8 and private at 7 15/16, without demand, which seems to indicate that liquidations of expiring contracts have been settled. Subsequently the rates took a rising course until the market finally closed with bank paper freely quoted at 8d and private at 8 1/32 and 8 1/16, and 8 1/32 for prompt bills.

Extremes during the week ending June 9th were 7 7/8—8 1/8 for 90 d/s Bank paper and 7 15/16—8 3/16 d for private.

The average bank-counter 90 d/s drawing rate for the week comes out at 7 31/32, the corresponding sight rate being 7 29/32 against 7 63/64 d, the average sight rate of the *Camara Syndical*.

The average depreciation for the week calculated on the basis of the Banks' sight rate is 70.71% and the premium on gold 241.50% against 71.29% and 248.38% last week. At these rates:

1 £	was worth	30\$355	against	30\$968	last week
1 shilling	"	1\$518	"	1\$548	" "
1 penny	"	\$126	"	\$129	" "
1 Franc	"	1\$206	"	1\$231	" "
1 Mark	"	1\$189	"	1\$519	" "
1 U. S. Dollar	"	6\$253	"	6\$379	" "
1 Rs. 20\$000 coin	"	68\$300	"	63\$677	" "

FOREIGN EXCHANGE ON LONDON AND PREMIUM ON GOLD

	Paris	Berlin	Genoa	Lisbon	Madrid	B. Ayres
June 3	25.20 1/2	20.31	7.07	%	28.61	%
" 5	—	—	7.05	—	27.62	—
" 6	25.10 1/2	20.31	7.19	—	27.12	—
" 7	—	—	7.01	—	20.75	—
" 8	—	20.31	7.07	—	21.59	—
" 9	25.20	—	—	—	27.52	—

The Bank of England rate continues at 3% whereas the open market which stood at 2 1/2 on June 1, fell to 2 1/4 on June 8.

THE MONEY POSITION

ALTHOUGH money is plentiful at 1 to 1 1/2 per cent., the banks have not been eager for bills, and the lowest rate this week has been 2 1/16 per cent. The last day or two there has been rather more reluctance to take paper, and on Wednesday some of the banks refused to discount from the brokers below 2 1/16, making the rate to the public 2 1/8 per cent. The slightly firmer rate was due to a shade of uneasiness as to whether or not the situation in the Transvaal would lead to trouble. Holders of bills evidently thought it would not, as they refused to discount at over 2 1/16, while the banks considered that they were justified in exercising a little more caution. There has been no change of moment in the position of foreign markets. Indeed, the last day or two the American exchange has risen, the sight rate upon London being quoted at 4.87 1/2, as against 4.86 3/4 at the end of last week. This is probably due to the remainder of the Spanish money having been remitted. Apart from this circumstance, the conditions point rather to a fall than to a rise in exchange, as, first, the trade balance continues very largely in favour of the States; and, secondly, European operators have recently bought American securities on balance. The rise in the New York exchange is therefore likely to be temporary; still, at the moment, the high rate makes gold shipments from this side appear a long way off. The German exchange is unaltered at 20.45, a figure which precludes any idea of German purchases of gold in the London open market. The French exchange is, however, slightly weaker at 25.20, and some inquiry for gold is reported on French account, evidently due to the desire to remit to Paris a portion of the money received on Spanish account in London. The open market rate of discount in Vienna has this week fallen from 4 1/2 to 4 1/4 per cent., and the Bank of Austria rate is expected shortly to be reduced from 5 to 4 1/2 per cent.

But while there are at present no reasons for apprehending any serious foreign demand for gold in this market, and consequently no advance in discount rates, the approaching issue of various important loans is likely to cause some disturbance of the money market and to keep rates steady. All the arrangements have now been made for the issue of the Japanese loan of £10 millions, which will probably be announced about the end of the month. Negotiations for the Argentine loan of £6 millions are still in progress, and as yet no agree-

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ment has been come to. Lastly, a conversion of a large amount of Mexican Debt is under contemplation and seems likely to be carried through. This may involve the issue of a large Conversion Loan.

COMPARATIVE VALUE OF COFFEE EXPORTED IN 1898 AND 1899

	WEEK ENDING JUNE 9TH				CROP TO JUNE 9TH			
	N. of bags		Value		N. of bags		Value	
	1898	1899	1898	1899	1898	1899	1898	1899
Rio	22,531	53,614	£5,509	79,534	4,144,310	3,029,589	6,690,608	4,694,208
Santos	55,190	51,664	89,257	76,233	5,935,220	5,323,747	10,077,155	8,659,747
Total	78,021	105,278	121,856	156,037	10,079,530	8,353,336	16,767,763	13,353,955

THE BRAZILIAN REVIEW

Saturday evening, June 10th 1899

Exchange opened on Monday 5th at 75/16 rose to 81/8 on Wednesday, fell again as low as 77/8 this morning and finally closed at 8d. this evening.

The violent oscillations of the rate during the last ten days unerringly indicate the speculative character of the whole movement. That there is a real reason for gradual improvement and that the tendency of exchange must, therefore, be gradually upwards, is unquestionable, but for such violent oscillations, as have been lately witnessed, there is no excuse except in the necessities or opportunities of Banks or speculators.

The reckless selling indulged in during the last two months at both Rio and S. Paulo, and in a more cautious manner at Santos also, which seemed to have received a check in consequence of the difficulties attending the May carry-over, gained fresh encouragement last week from the large coffee entries at Santos. Such a precocious accession to the limited supply of bills could not fail to be welcome to an oversold market and, properly utilised, would have doubtless permitted 'bears' to get over liquidations decently and decorously. Instead, however, selling was again renewed and the rate boosted more recklessly than ever, with the natural and inevitable reaction that covering was bound to create, the rate only being prevented from falling lower than it actually did by the unquestionable shortness of money.

Shortness of money, however, it should be borne in mind, can only be a transitory and not a permanent 'bull' factor. Imports must be paid for, some time, and temporary shortness can only accumulate a larger demand for bills later on. The rate may be thus maintained for the present but, in the long run, it must suffer from remittances being withheld. In fact it is just this 'invisible' demand for exchange that constitutes so dangerous and perturbing a factor in the market, refusing often to take when rates are rising but rushing in recklessly when the fall commences, thus exaggerating and making it more acute.

That the recognisable factors of exchange are, if not absolutely favourable, at least not unfavourable at the present moment we believe.

Imports as will be seen from another column have averaged about £843,947 per month for Rio and Santos alone. There is every probability that imports during the next six months will show a decided increase over the first quarter, but even supposing that they remained stationary, at least 650,000 bags of coffee a month would, at present prices, be required to cover their requirements, alone absorbing 7,800,000 bags out of a total crop of 10 or 10 1/2 millions. The balance valued at £3,649,000 to £4,390,000 would, if coffee prices did not fall, as they most likely will, have to suffice for all other requirements of Government — about £2,000,000, private remittances and that 'invisible' demand incapable of appraisalment. For the month of June some 600,000 bags can be probably counted on, which with the bullish tendencies of the market and shortness of money should be ample to maintain the rate or ensure a steady improvement, were it not for the perturbing influence of previous sales which must be now covered or carried over. The Cash balances at the Banks show again, this month, a considerable advance of nearly 4,000,000\$ at Rio and 3,000 contos at S. Paulo and Santos seeming to indicate a further increase in the indebtedness of this market to foreign bankers. Since the 31st March cash balances at the five foreign banks at Rio have augmented 16,343,615\$, whilst the credit balance of 7,922,665\$ on the same date has been turned into a debit of 8,421,000\$, and seems to confirm the deduction that the market is owing at the present moment at least 15,121,774\$ to foreign bankers, that must be covered within the next few months. Bank balances seem this year to be following a similar course to last year's, which stood at 50,582 contos on 30th April rose to 74,893 contos on 30th May, 96,375 contos in June, 111,175 contos in August, having attained their maximum 143,551 contos on 31st July. It is to be noted last year they were swelled by speculative selling of exchange by Europe following the funding operation. This year we have no funding to give a spurt, but the feeling of confidence will no doubt, to a certain extent, replace it and create a similar wild cat speculation. If so, we must look for rising rates for the next few months with particularly violent oscillations at every liquidation and a big slump towards the end of the year, bar accidents.

CASH BALANCES AT THE FOREIGN BANKS

RIO DE JANEIRO

	Total		British Bank	Banque Francaise	Brasilianische Deutschebank	London & Brazilian	London & River Plate
	1898	1899					
May 31	74,893,000\$00	78,011,000\$00	5,481,000\$00	6,430,000\$00	2,085,700\$00	20,740,000\$00	17,235,000\$00
April 30	74,893,000\$00	71,252,000\$00	5,481,000\$00	7,022,000\$00	2,167,000\$00	17,202,000\$00	15,352,000\$00
March 31	74,893,000\$00	63,333,000\$00	4,137,000\$00	7,151,000\$00	19,721,000\$00	15,375,000\$00	13,630,000\$00
February 28	74,893,000\$00	63,333,000\$00	4,137,000\$00	8,331,000\$00	13,582,000\$00	15,661,000\$00	21,030,000\$00
January 31	74,893,000\$00	63,333,000\$00	4,137,000\$00	8,422,000\$00	15,513,000\$00	11,975,000\$00	22,870,000\$00

S. PAULO AND SANTOS

	Total		British Bank	Banque Francaise	Brasilianische Deutschebank	London & Brazilian	London & River Plate
	1898	1899					
May 31	31,638,000\$00	33,254,000\$00	5,432,000\$00	5,378,000\$00	3,372,000\$00	10,035,000\$00	9,917,000\$00
April 30	31,638,000\$00	32,731,000\$00	5,432,000\$00	6,033,000\$00	3,587,000\$00	12,731,000\$00	12,731,000\$00
March 31	31,638,000\$00	31,638,000\$00	5,432,000\$00	6,023,000\$00	3,587,000\$00	13,587,000\$00	13,587,000\$00
February 28	31,638,000\$00	31,638,000\$00	5,432,000\$00	6,972,000\$00	3,587,000\$00	11,318,000\$00	11,318,000\$00
January 31	31,638,000\$00	33,254,000\$00	5,432,000\$00	7,100,000\$00	3,587,000\$00	12,030,000\$00	12,030,000\$00

1 Including London & River Plate Bank.
2 Exclusive of London & River Plate Bank.

CERVEJA

ANTARCTICA PAULISTA

PRETA

(Systema Guinness)

Branca - Pilsen

DEPOSITO

52 RUA DA QUITANDA 52

FELIX FRICKINGER

Accounts of the Foreign Banks at Rio with Head office and agents

BANKS	March 31		April 30		May 31	
	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT
London & River Plate	—	5,076:574\$	—	7,333:882\$	7,522:000\$	—
London & Brazilian	9,232:495\$	—	9,059:978\$	—	3,815:000\$	—
Brazilianische Bank für Deutsch-land	3,230:024\$	—	—	2,154:896\$	—	2,911:000\$
Banque Française	—	2,257:945\$	—	1,072:908\$	—	672:000\$
British Bk of S. America	2,744:913\$	—	2,842:262\$	—	—	4,131:000\$
	15,257:134\$	7,334:519\$	11,893:240\$	10,251:746\$	12,296:000\$	3,815:000\$
	7,334:519\$	—	10,251:746\$	—	3,815:000\$	—
	7,922:615\$	+	1,641:494\$	+	8,421:000\$	—

From our own Correspondent

Santos, June 9th 1899

Our exchange market has been very brisk and seems to have awakened at last from its lethargy.

At over rising rates a large business was done, for which São Paulo mostly furnished the money which is evidently a good feature, as a speculative position has been liquidated and legitimate traders have taken it over.

At the Bank rate of 8 5/32 and down to 8 1/8 there were a good many buyers. Since, we have reached again 7 15/16 at which rate only few transactions could be made for want of money.

We suppose that Rio speculators have unloaded a good deal also. We can, therefore, logically presume that the situation is clearer now than it was for some time. Incoming receipts of coffee will after all prove the determining factor.

Comparative quotations of Brazilian Bonds in London, as per telegrams received by the Banco da Republica from Messrs. N. M. Rothschild & Sons.

	June 8th	June 5th	June 1st	May 20th,
1879 4 1/4 p.c.	65	66	66	66
1888 4 1/4 "	67	67	67	67
1889 4 "	67	66	66 1/4	66 1/4
1895 5 "	74	73	73 1/4	73
Funding 5 p.c.	90	90	91	90
West Minas 5 p.c.	70	70	70	70 1/4

LATEST QUOTATIONS

TUESDAY MORNING, June 13th, 1899

Rio de Janeiro 90 d/s Bank rate on London, opening rate, June 13th.	7 7/8d.
No. 7 New York type of coffee. Spot closing price, on June 14th. per 10 kilos.	7 1/4d
No. 7 ditto ditto ditto. Spot closing price at New York, on June 12th, per lb.	conts. 6
No. 7 New York type of coffee July options price ditto ditto ditto.	" 4.70
1879 4 per cent. External bonds, London.	June 12th. 65 1/2
1888 4 1/2 per cent external bonds.	" 66
1889 4 per cent ditto ditto	" 66
1895 5 per cent ditto ditto	" 73
Funding	" 90
W. Minas.	" 69

CLOSING QUOTATIONS OF BRAZILIAN STOCKS AND SHARES ON THE LONDON STOCK EXCHANGE

DESCRIPTION	WEEK ENDING 12th. MAY 1899		PREVIOUS WEEK	
	Min	Max	Min	Max
Government Securities				
Gold Loan 1879 4 1/4 %	67	69	65	67
" 1883 4 1/4 %	68	70	66	68
" 1888 4 1/4 %	67	69	65	67
" 1889 4 1/4 %	67	68	65 1/2	67 1/2
West of Minas Railway 5 %	72	73	70 1/2	71 1/2
New Funding Bonds 1895 5 %	75	76	73	74
State of S. Paulo 5 %	90	92	90	92
	89	91	—	—
Corporation Bonds				
City of Rio de Janeiro 4 %	69	71	68	68
City of Santos 6 %	98	101	98	101
Railways				
Alagoas Limited	5 1/2	6 1/2	5	6
5 % Debenture Stock	55 1/2	58	55	58
Bahia e S. Francisco Limited.	9 1/2	10	9 1/2	9 1/2
Timbó branch	4 1/2	5 1/2	4 1/2	5 1/2
Brazil Great Southern 7 % Cum: Pref.	1 1/4	1 1/4	1 1/4	1 1/4
6 % Perm. Deb. Stock	48	50	48	50
Central Bahia Limited	45	47	45	47
6 % Debenture Stock.	34	36	33	35
5 %	65	67	65	67
Conde d'Eu Limited.	6 3/4	7 1/4	6 3/4	7 1/4
D. Theozza Christina Limited, Pref 7 %	3 3/4	4 1/4	3 3/4	4 1/4
Gt. Western of Brazil, Limited.	7 1/4	8 1/2	7 1/4	8 1/2
Paraná Deb. Stock	99	101	99	101
Ext.	86	88	85	88
Leopoldina Limited.	4 1/4	4 3/4	4 1/4	4 1/4
Natal e Nova Cruz, Limited.	10	11	9 1/2	10 1/2
Porto Alegre a Novo Hamburgo 7 % Pref. Shares	5 1/4	6 1/4	5 1/4	6 1/4
Porto Alegre a Novo Hamburgo 6% Mort. Deb. Stock.	4	5	4	5
Recife e S. Francisco Limited	71	75	71	75
Rio Claro, S. Paulo, Limited, shares	65	67	65	67
5 % Deb. stock	84	85	84	85
S. Paulo, Limited.	138	130	138	130
New Ord.	32 1/4	33 1/4	33	34
5 % Non-Cum: Pref.	15 1/4	16 1/4	15 1/4	16 1/4
5 % Debenture Stock	12	12 1/2	12	12 1/2
5 %	140	142	140	142
S. Braz. Rio G. do Sul, Limited.	126	128	126	128
6 % Deb. Stock.	81	83	81	83
Leopoldina 4 % Debenture Stock, red	84 1/2	85 1/2	84 1/2	85 1/2
Railway Obligations				
Alagoas 6 % Debentures	91	93	91	93
Brazil Gt. Southern, 6 % Sil. Mt. Deb.	77	79	77	79
6 % Sil. Mt. Deb. Red.	53	55	53	55
Campos e Carangola 5 1/4 %	65	67	65	67
Central Bahia Limited 6 % Deb.	100	102	100	102
Conde d'Eu 5 1/4 % Deb.	94	97	90	93
D. Theozza Christina Limited 5 1/4 %	81	83	80	82
Minas e Rio, 6 % Deb.	101	103	101	103
Mogyana, 5 % Deb. Bonds.	101	103	101	103
Natal e Nova Cruz, Bonds	82	84	82	84
Ruana 6 % Debentures	74	77	74	77
Banks				
British Bank of S. America.	10 1/4	11 1/4	10 1/4	11 1/4
London & Brazilian Bank Limited	18 1/4	19 1/4	18 1/4	19 1/4
London & River Plate Bank Limited	54	56	53	54
Shipping				
Amazon Steam Navigation Co. Limited.	9 1/2	10 1/2	9	10
Royal Mail Steam Packet Co.	50	52	50	52
Pacific Steam Navigation Co.	23 1/2	23 3/4	23 1/2	23 3/4
Mining				
Ouro Preto.	1 1/2	1 1/2	1 1/2	1 1/2
St. John del Rey	1 1/2	1 1/2	1 1/2	1 1/2
S. Bento	1 1/2	2	1 1/2	2
Telegraphs				
Brazilian Submarine Limited	15 1/4	15 3/4	15 1/4	15 3/4
do do 5 % Deb.	110	114	110	114
Western & Brazilian Limited ord.	—	—	—	—
do do 5 % pref ord.	—	—	—	—
do do def ord.	—	—	—	—
do do 4 % Deb. stock	106	109	106	109
Amazon Tel: Shares 1 - 25000	3	4	3	4
do do 5 % deb: red	87	92	87	92
Miscellaneous				
Cantareira Waterworks 6 % deb: bonds	101	101	101	104
5 % deb. 2nd issue.	93	97	93	97
City of Santos Imp: Ld. 7 % non-cum pref.	9	10	8 1/2	9 1/2
City of Santos Imp: Limited 6 % cum pref.	10 1/2	11	10 1/2	11
Rio de Janeiro City Imp: Limited.	8 1/2	9 1/2	8 1/2	9 1/2
do do 5 % red.	81	83	80	82
Rio de Janeiro Flour Mills Limited.	7 1/2	8	7 1/2	8
do do Mort: deb.	98	100	98	100
S. Paulo Gas Co. Limited.	10 1/2	11 1/2	10 1/2	11 1/2
Recife Drainage Limited 1st Mort: 5 % deb: Brazilian (Recife) Street R'way Limited ord.	17	19	17	19
Dumont Coffee, ord.	1	2	1	2
do do 7 1/4 Cum: pref.	4 1/2	5 1/4	4 1/2	5 1/4
do do 5 1/4 % 1st Mort: deb.	82	85	82	85
S. Paulo Coffee Est. 7 % Cum: pref.	4 1/2	5	4 1/2	5
do do 5 1/4 % 1st Mort: deb.	91	94	91	94
North Brazilian Sugar Factories	1/4	1/4	1/4	1/4

BUSINESS DONE ON THE RIO DE JANEIRO STOCK EXCHANGE

FOR THE WEEK ENDING JUNE 9th 1899

DESCRIPTION	Sales	Highest	Lowest	CLOSING		
				This week	Last	Date of last
GOVERNMENT SECURITIES						
Apólices Geraes 5 % Currency	5	870\$000	850\$000	870\$000	900\$000	30 May
Do do (cauteilas)	25:200\$	870\$000	855\$000	855\$000	860\$000	31 "
Loan Internal 1895 5 % Currency (bearer)	96	915\$000	900\$000	915\$000	895\$000	2 June
Loan 1897 6 % Currency (bearer)	223	1:005\$000	1:000\$000	1:005\$000	1:000\$000	" "
Loan 1897 6 % Currency (order)	478	1:000\$000	1:000\$000	1:000\$000	1:000\$000	" "
Loan Rio Municipal 5 % Currency (bearer)	130	103\$000	102\$000	102\$000	114\$000	30 May
BANKS						
Lavoura e Commercio	553	105\$000	104\$000	105\$000	103\$000	2 June
Republica	643	158\$000	137\$000	138\$000	138\$000	" "
Comercio fully paid	20	220\$000	220\$000	220\$000	220\$000	31 May
Do (40 % do)	17	85\$000	82\$000	85\$000	84\$000	30 "
Iniciador	200	335\$000	335\$000	335\$000	335\$000	29 "
Brazil e N. America	50	17\$000	17\$000	17\$000	17\$000	27 "
Depos. e Descontos	30	34\$000	34\$000	34\$000	34\$000	2 June
Commercial	172	225\$000	222\$000	225\$000	224\$000	30 May
Popular	80	1\$500	1\$500	1\$500	1\$500	19 "
Rural e Hypothecario (2nd serie)	20	141\$000	141\$000	141\$000	140\$000	19 "
Banco C. R. de São Paulo (c/- hyp.)	6	100\$000	100\$000	100\$000	100\$000	23 "
Do (c/- comm.)	50	90\$000	90\$000	90\$000	90\$000	30 "
Hypothecario	250	54\$000	52\$000	54\$000	53\$000	15 Apr.
RAILWAYS AND TRAMWAYS						
Minas de S. Jeronymo R'way	100	24\$000	24\$000	24\$000	25\$000	22 May
Oeste de Minas R'y 37 1/2 %	1,450	537\$000	585\$000	585\$000	680\$000	24 "
V. do Sa. puenhy R'y. U. Sorocabana & Itanaa R'way	1,500	337\$000	337\$000	337\$000	335\$000	20 "
Do (20 %)	850	403\$000	403\$000	403\$000	450\$000	31 "
S. Christovão T'ry	80	103\$000	103\$000	103\$000	103\$000	" "
J. Botânico T'ry	150	185\$000	185\$000	185\$000	190\$000	" "
	207	160\$000	150\$000	150\$000	150\$000	2 June
INSURANCE						
Providente	50	51\$000	51\$000	51\$000	50\$000	4 Apr.
Alliança	50	58\$000	58\$000	58\$000	58\$000	9 May
Prosperidade	100	17\$000	17\$000	17\$000	18\$000	23 "
COTTON MILLS						
Carica	150	180\$000	180\$000	180\$000	180\$000	31 May
Alliança	70	175\$000	175\$000	175\$000	170\$000	31 "
Petropolitana	300	60\$000	60\$000	60\$000	40\$000	4 Mch
Cocovado	50	151\$000	151\$000	151\$000	—	—
MISCELLANEOUS						
Obras Hydraulicas. H. Nacional	3,500	4\$000	3\$750	3\$750	4\$000	31 May
Melhoramentos no Brazil	9	90\$000	90\$000	90\$000	90\$000	17 "
Melhoramentos no Maranhão	100	18\$000	18\$000	18\$000	19\$000	2 June
Int. de Commercio e Industria	413 1/3	23\$000	23\$000	23\$000	25\$000	15 May
Transporte do café e mercadorias	700	35\$000	35\$000	35\$000	35\$000	12 Apr.
Construções Civis	40	140\$000	140\$000	140\$000	140\$000	14 "
	90	20\$000	20\$000	20\$000	20\$000	31 May
DEBENTURES						
União Sorocabana e Itanaa R'y (1st serie)	323	60\$000	68\$000	68\$000	60\$000	2 June
Manufatura Fluminense	200	193\$500	192\$000	193\$500	191\$000	2 "
Banco de Credito Movel	175	33\$000	33\$000	33\$000	32\$000	26 May
J. do Commercio	50	170\$000	160\$000	170\$000	175\$000	18 "
Nova Era Rural	100	6\$000	6\$000	6\$000	—	—
Barão de Araruama T'way	3	40\$000	40\$000	40\$000	—	—
Lloyd Brasileiro	71	51\$500	51\$500	51\$500	50\$000	19 Apr.
Alliança Mill	4	200\$000	200\$000	200\$000	202\$500	11 Jan'y
Empreza Viação	770	20\$000	20\$000	20\$000	16\$000	4 Apr.

The declared business on the Rio de Janeiro Stock Exchange market, during the week ending June 9th amounted to 1,454,851\$ distributed as follows:—

Government securities	850:435\$000
Bank shares	261:278\$000
Railway and Tramway shares	125:142\$000
Insurance shares	4:525\$000
Cotton Mill do	61:950\$000
Miscellaneous do	49:600\$000
Debentures	95:921\$000
Total	1,454:851\$000

Government Securities. The business done in this description was limited, quotations undergoing the following alterations:— Apólices Geraes (Rentas) 5 % currency dropped 30\$; Internal loan 1895, 5 % currency, (bearer) improved 20\$ and ditto 1897, 6 % currency, 5\$; Rio Municipality 5 % (bearer) fell 2\$.

Banks. Twelve different kinds of bank shares were dealt in, the preceding quotations suffering but very slight alterations the greatest being a rise of 2\$ in Lavoura e Commercio.

Railways and Tramways. A certain amount of activity was shown in these kinds, the most important alterations being a fall of 5\$ in Sorocabana R'y fully paid shares and in S. Christovão Tramway.

Insurance. A small business with oscillations not above 1\$.

Cotton Mills. Alliança improved 5\$ and the rest remained unaltered.

Miscellaneous. Obras Hydraulicas fell 250 reis, Melhoramentos no Brazil and Construções Civis 1\$ each, whilst Melhoramentos no Maranhão improved 500 reis.

Debentures. Nine different kinds dealt in; Sorocabana R'y fell 1\$500, *Jornal do Commercio* 5\$ and Alliança Mill 2\$500, and Manufatura Fluminense rose 2\$500, Banco de Credito Movel 1\$600, Lloyd Brasileiro 1\$500 and Empreza Viação 4\$.

BUSINESS DONE ON THE S. PAULO STOCK EXCHANGE

FOR THE WEEK ENDING JUNE 9th 1899

Description	Sales	Highest	Lowest
BANKS			
Banco Comercio e Industria	40	320\$000	320\$000
" União de S. Paulo (50\$)	150	18\$000	18\$000
" " (70\$)	100	28\$000	28\$000
RAILWAYS AND TRAMWAYS			
Paulista Railway	62	236\$000	234\$000
Mogyana "	154	238\$000	236\$000
Viação Paulista T'way	46	53\$000	53\$000
MISCELLANEOUS			
Companhia União Sportiva	50	100\$000	100\$000
" Santos Camara Municipal Bonds	203	78\$000	77\$500
MORTGAGE BONDS			
Credito Real	300	73\$000	62\$500
Banco União	236	70\$500	70\$500

The total declared sales on the S. Paulo Stock Exchange for the week ending June 2nd, amounted to Rs. 129:205\$500, distributed as follows:

Bank Shares	18:300\$000
Railway T'way do	53:45\$000
Miscellaneous do	20:734\$000
Mortgage Bonds	39:717\$500
Total	129:205\$500

Banco do Pará. The report for the year ended 31st December 1898 shows the usual prosperous state of affairs, a dividend being distributed of 8 % which together with a similar one in July makes a total of 16 % for the whole year.

Since 30th June when 80 % of the Capital had been paid up, no further calls were made.

The Bank subscribed for 500:000\$ of the 7 % Municipal Loan called in July last.

The capital of the Bank is 10,000:000\$ of which 8,000:000\$ is paid up. In addition there is a reserve fund of 1,450:000\$ accumulated out of profits. This bank was founded in 1883 and its correspondents in London are Parry Bank Ltd.

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Balanços e Balancetes

RIO

BANCO DA REPUBLICA DO BRAZIL

BALANÇO EM 31 DE MAIO DE 1899

Table with columns for 'Activo' and 'Passivo' for Banco da Republica do Brazil, listing items like 'Apólices em garantia de fundo de reserva', 'Fundos publicos', and 'Depósitos'.

Table with columns for 'Activo' and 'Passivo' for Banco da Republica do Brazil, listing items like 'Capital', 'Fundo de reserva', 'Depósitos', and 'Dividendos a pagar'.

Rio de Janeiro, 7 de Junho de 1899. — Luiz Martins do Amaral, presidente. — J. Rosa, chefe da contabilidade interino.

BANQUE FRANÇAISE DU BRÉSIL

BALANÇETE EM 31 DE MAIO DE 1899

Table for Banque Française du Brésil, showing 'Activo' (Accionistas, Caixa, etc.) and 'Passivo' (Capital, Contas correntes, etc.).

S. E. ou O. — Rio de Janeiro, 6 de junho de 1899. — O director, H. Joby — O chefe da contabilidade, V. Marsol.

BANCO DO COMMERCIO E INDUSTRIA DE S. PAULO

BALANÇETE EM 31 DE MAIO DE 1899

Table for Banco do Commercio e Industria de S. Paulo, showing 'Activo' (Accionistas, Entradas a realizar, etc.) and 'Passivo' (Capital, Contas correntes, etc.).

S. E. ou O. — S. Paulo, 9 de junho de 1899. — Antonio Prado, presidente. — J. de Queiroz Lacerda, director-gerente.

Table for Banco da Republica do Brazil, showing 'Activo' (Móveis, Apólices do Estado, etc.) and 'Passivo' (Capital subscrito, Fundo de reserva, etc.).

S. E. ou O. — S. Paulo, 9 de junho de 1899. — Antonio Prado, presidente. — J. de Queiroz Lacerda, director-gerente.

Table for Banco da Republica do Brazil, showing 'Activo' (Capital subscrito, Fundo de reserva, etc.) and 'Passivo' (Capital subscrito, Fundo de reserva, etc.).

BANCO UNIÃO DE S. PAULO

BALANÇO A 31 DE MAIO DE 1899

COMPREHENDENDO AS AGENCIAS

Table for Banco União de S. Paulo, showing 'Activo' (Seção commercial, Titulos descontados, etc.) and 'Passivo' (Capital, Menor valor de ações, etc.).

S. E. ou O. — S. Paulo, 9 de junho de 1899. — Antonio Prado, presidente. — J. de Queiroz Lacerda, director-gerente.

Table for Banco União de S. Paulo, showing 'Activo' (Seção commercial, Titulos descontados, etc.) and 'Passivo' (Capital, Menor valor de ações, etc.).

Juros de letras hypothecarias.	48.960.000
Dividendos, saldo não reclamado.	47.740.800
Fundo de reserva.	2.776.340.814
Lucros suspensos.	400.000.000
Lucros e perdas.	115.558.400
Beneficencia e fundo de pensão.	30.000.000
Diversos.	23.109.913,2

Secção hypothecaria e industrial:

Emissão de letras hypothecarias.	8.834.000.000
Letras sorteadas.	35.900.000
Amortizações: recebidas e incluídas nas prestações a receber.	1.058.628.676
Garantias de empréstimos.	6.630.068.745
Garantias do empréstimo industrial.	7.476.507.820
Total	54.381.639.521

S. Paulo, 8 de junho de 1899.— A. de Lacerda Franco, presidente.— Horacio Bertinck, contador.

BANQUE FRANÇAISE DU BRÉSIL

Capital frs.	Fcs.	10.000.000
Capital realizado.	"	5.000.000

BALANETE DA AGENCIA DE S. PAULO, EM 31 DE MAIO DE 1899 INCLUINDO O DA AGENCIA EM SANTOS

Activo

Letras descontadas.	3.438.103.296
Letras a receber.	1.092.708.330
Contas correntes garantidas.	2.392.079.120
Valores depositados.	4.475.570.196
Diversas contas.	17.609.240.271
Caixa.	5.378.531.855
Rs.	34.586.658.532

Passivo

Caixa matriz, filiaes e agencias.	10.938.123.084
Letras a receber.	2.184.874.900
Deposito a prazo.	348.124.820
Títulos caucionados.	4.475.570.190
Diversas contas.	16.582.965.881
	31.586.658.532

S. E. ou O.— S. Paulo, 8 de junho de 1899.— O chefe da contabilidade, Ch. Berthe.— O gerente interino, J. L. Halphen.

SANTOS

BANCO MERCANTIL DE SANTOS

Capital.	5.000.000.000
Fundo de reserva.	800.000.000

BALANÇO EM 31 DE MAIO DE 1899

Activo

Letras descontadas.	2.826.913.312
Letras a receber.	309.008.755
Empréstimos em contas correntes.	9.094.885.104
Valores depositados.	17.154.765.975
Profitos do banco.	617.303.877
Diversas contas.	2.457.134.184
Caixa.	2.094.424.151
	31.520.068.342

Passivo

Capital: 25.000 ações de valor de 200\$, cada uma.	5.000.000.000
Fundo de reserva.	800.000.000
Depositos por letras.	2.889.744.180
Contas correntes sujeitas a aviso.	7.348.200.291

Letras a pagar.	49.950.000
Títulos depositados.	3.830.634.810
Cauções diversas.	13.324.431.165
Diversas contas.	1.340.402.836
	31.520.068.342

S. E. ou O.— Santos, 6 de Junho de 1899.— Banco Mercantil de Santos: *Oligario Palma*, director — M. Braziliense, guarda livros.

BANCO DE SANTOS

Capital.	2.000.000.000
Fundo de reserva.	400.000.000

BALANETE EM 31 DE MAIO DE 1899

Activo

Accionistas: entradas a realizar.	7.200.000
Letras descontadas.	3.971.216.822
Letras a receber.	212.076.530
Empréstimos em contas correntes.	2.409.954.170
Edifício do Banco.	450.000.000
Propriedades do Banco.	673.363.119
Ações de Bancos e Companhias.	120.000.000
Valores depositados.	2.149.104.845
Hypothecas urbanas.	643.000.000
Diversas contas.	1.523.467.357

Em nome do Banco e da filial de São Paulo.

791.247.304

Em poder dos correspondentes.

118.657.019

Capital: 10.000 ações de 200\$ cada uma.	2.000.000.000
Fundo de reserva.	400.000.000
Depositos: a prazos, sujeitos a avisos e com retiradas livres.	3.353.571.873
Cauções e títulos depositados.	2.449.104.845
Garantias por hypothecas.	643.000.000
Diversas contas.	3.619.589.412
	12.172.243.030

Passivo

Capital: 10.000 ações de 200\$ cada uma.	2.000.000.000
Fundo de reserva.	400.000.000
Depositos: a prazos, sujeitos a avisos e com retiradas livres.	3.353.571.873
Cauções e títulos depositados.	2.449.104.845
Garantias por hypothecas.	643.000.000
Diversas contas.	3.619.589.412
	12.172.243.030

S. E. ou O.— Santos, 5 de junho de 1899.— Polo Banco de Santos, J. C. Janacopulos, presidente.— A. Joel, gerente.

LONDON & RIVER PLATE BANK LIMITED

Estabelecido em 1862

Capital.	£ 1.500.000
Idem realizado.	£ 900.000
Fundo de reserva.	£ 1.000.000

BALANETE DA CAIXA FILIAL NESTA PRAÇA EM 31 DE MAIO DE 1899

Activo

Letras descontadas.	80.545.378
Letras a receber.	—
Empréstimos, contas caucionadas, etc.	3.708.517.370
Caixa matriz, filiaes e agencias.	82.303.210
Diversas contas.	—
Penhores de empréstimos, contas caucionadas, etc.	—
Caixa em moeda corrente no exterior do Banco.	4.958.908.750
Rs.	8.739.975.840

Passivo

Capital declarado da caixa filial.	500.000.000
Depositos a prazo fixo a com aviso.	2.321.150
Contas correntes sem juros.	570.987.810
Diversas contas.	19.025.830
Títulos em caução depositos.	—
Letras a pagar.	—
Caixa matriz, filiaes e agencias.	7.737.691.370
Rs.	8.739.975.840

S. E. & O.— Santos, 3 de junho de 1899 —(Belo London and River Plat- Bank, Limited) (Assigned) A. H. Thomson, manager.— E. A. Carter, accountant.

S. CARLOS DO PINHAL

BANCO UNIÃO DE S. CARLOS

BALANETE EM 31 DE MAIO DE 1899

Activo

Accionistas:	
Entradas a realizar.	2.045.403.990
Empréstimos:	
Por contas correntes garantidas e outras.	4.447.594.250
Por hypothecas rurais.	1.630.221.598
Por hypothecas urbanas.	33.345.945

Títulos descontados:

Sobre esta praça, Santos S. Paulo e outras.	2.415.070.851
Caução da Directoria.	1.020.938.000
Valores hypothecados.	3.735.154.371
Títulos caucionados.	20.297.110
Letras a receber.	9.077.878
Estampilhas.	358.1950
Juros de letras.	7.202.620
Profitos do banco.	8.177.330
Imoveis.	31.593.822
Diversas contas.	637.78.910
Caixa.	—
Dinheiro existente.	3.271.163.144
R.	15.138.345.990

Passivo

Capital:	
Valor de 25.000 ações de 200\$ cada uma.	5.000.000.000
Fundo de reserva.	300.000.000
Lucros suspensos.	300.000.000
Lucros e perdas.	118.321.533

Depositos:

Por letras a prazo fixo.	1.579.336.170
Em contas correntes de movimento e outras.	1.364.297.574
Depositos da Directoria.	3.341.837.21
Diversas garantias.	3.937.48.614

Dividendos:

Saldo do 13º ao 16º não reclamado.	3.016.990
Diversas contas:	
Agencia em Santos, correspondentes em paz e no estrangeiro, letras a receber (que figura na activa).	1.025.220.375
Juros, descontos e commissões.	2.011.111.13
R.	15.138.345.990

S. E. ou O.— S. Carlos do Pinhal, 3 de Junho de 1899.— *Joaquim Joze de Abreu Saunpato*, presidente.— *Heitor de Abreu Saunpato Vidal*, gerente.— *Jose Felipe Guilherme Hagan*, guarda-livros.

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Coffee Market

COMPARATIVE ENTRIES

FOR THE WEEK ENDING JUNE 9TH 1899

	TOTAL ENTRIES			ENTRIES TO DATE FOR CROP YEAR	
	This week	Last week	Last year	This year	Last year
	Rio	63,431	52,917	42,413	3,029,020
Santos	93,433	54,336	32,007	5,311,422	6,033,183
Total	156,864	107,253	74,420	8,340,442	10,222,184

The coast arrivals were from the following ports :

Victoria	3,027	bags
S. João da Barra	659	"
Bahia	231	"
Santos	122	;;
S. Mathens	1,310	"
Santa Catharina	175	"
Total	5,527	bags

The total entries by the different S. Paulo Railways for the crop to June 8th are as follows :-

	Past Jundiaby	Per Sorocabana	Total at S. Paulo	Total at Santos	Remaining at S. Paulo
1897/8	4,743,914	1,245,849	5,989,763	6,023,500	NIL
1898/9	4,299,616	1,012,390	5,312,006	5,341,673	NIL

Entries for the week ending June 9th were considerably larger than the previous week even allowing for one more working day in this. The increase being most notable at Santos.

As the greater part of the coffee now arriving belongs to the new crop we suspend our estimates of the 1898/99 crop, which is certainly not over 8 1/2 millions for Rio and Santos.

COMPARATIVE STATEMENT OF EMBARQUES AND SHIPMENTS

FOR THE WEEK ENDING JUNE 9TH 1899

	TOTAL					TOTAL FOR CROP.	
	U. States	Europe	Brazil and Coast	British Colonies	Other Ports	This week	Same week last year
Rio	32,832	11,527	2,672	3,775	2,808	53,614	22,831
Santos	2,277	26,387	—	—	—	51,594	55,190
Total	35,109	37,914	2,672	3,775	2,808	105,208	78,021
Daily average	8,301	5,416	382	530	401	15,010	11,146

Dock deliveries (embarkes) at Rio and shipments at Santos during the week ending June 9th were 23,285 bags less than the previous week but 27,257 bags larger than during the corresponding week last year. This week's shipments were distributed in the following proportion: 35 2/3% to the United States; 35% to Europe; 2 1/2% to the Brazilian Coast ports and the rest to other ports.

Shipments to date since 1st July last year are 1,726,200 bags less than for the corresponding period of the former crop. The C. & S. value of the shipments of the week amounted to \$156,037, the weekly average since 1st January being \$214,675.

LOCAL STOCKS

(OFFICIAL STOCKS)

	June 2/99	June 9/99
Rio	497,264	206,781
Santos	289,070	321,330
Both	485,334	528,111

IN 1ST & 2ND HANDS AND AFLOAT

(Estimated according to the method introduced by the Brazilian Review)

	bags
Stock on June 2nd	142,012
Entries during the week ending June 9th	
By the Central Railway	36,910
Barra Dentro & Leopoldina	22,510
Coastwise etc.	5,527
	64,947
	206,959

Shipments as per manifests during the week ending June 9th	57,974
Local consumption 1 week	1,250
Stock on June 9th	147,735

SANTOS

Stock on June 2nd	282,676
Entries during the week ending June 9th	93,433
	376,109
Shipments as per manifests during the week ending June 9th	51,664
Stock on June 9th	324,445
Stocks at Rio and Santos on June 9th	472,180
ditto on June 2nd	424,688

FOREIGN STOCKS

	May 29/99	June 5 99	June 6 98
United States Ports	917,000	930,000	637,000
Havre	1,478,000	1,497,000	1,463,000
	2,395,000	2,397,000	1,303,000
Visible Supply at American Ports	1,488,000	1,231,000	938,000
Deliveries	78,000	63,000	67,000
	June 1/29	May 1 97	June 1 95
Visible Supply of the World as per estimate of the New-York coffee exchange	6,261,300	6,341,200	5,476,000

MANIFESTS OF COFFEE Sailed during the week ending 9th June 1899 FROM RIO

DATE	NAME	DESTINATION	SHIPPER	BAGS	TOTAL
June 3	Antonina	Hamburg	A. Leuba & Co.	1,750	
	do	do	G. Trunks & Co.	412	
	do	do	K. Krusche	150	2,312
	Grecian Prince	New York	Hard Rand & Co.	530	
	do	do	W. F. M. L. & Co.	5,600	
	do	do	J. W. Doane & Co.	2,775	13,677
	Rapwy	Southern Ports	A. Fortes & Azevedo	60	
	do	do	Sequeira & Co. Ltd.	191	
	do	do	Zenba Ramos & Co.	125	
	do	do	Valla Pass & Co.	5	
	do	do	B. de Barros & Co.	55	
	do	do	A. Dutra & Co.	41	513
4	Olinda	Northern Ports	Zenba Ramos & Co.	370	
	do	do	John Moore & Co.	6	
	do	do	Jorge Dias & Irmao	330	
	do	do	Dias P. & Almeida	0	
	do	do	G. Gudgson & Co.	1,215	
	do	do	Domingos de Paula	40	
	do	do	B. de Barros & Co.	30	
	do	do	A. Fortes & Azevedo	20	
	do	do	Oliveira G. & Santos	152	2,313
5	Minas	Constantinople	R. do Coutto & Co.	37	
	do	Smyrna		250	625
	Rossa	Northern Ports	Fonseca Silva & Co.		200
	Bragança	do	Zenba Ramos & Co.	3,462	
	do	do	G. Gudgson & Co.	700	
	do	do	Emp. Ind. Brasileira	420	
	do	do	Jorge Dias & Irmao	330	
	do	do	A. F. & Azevedo	250	
	do	do	Ornstein & Co.	40	5,222
6	Roi de Portugal	Havre	A. Leuba & Co.	867	
	do	Lisbon	Dias P. & Almeida	2	869
	Preso Pia	Baltimore	Aretz & Co.	9,000	
	do	do	Levering & Co.	3,000	12,000
	Itapui	Pernambuco	G. Gudgson & Co.		200
	Bretil	Montevideo	R. Roemer & Co.	75	
	do	do	A. Felix Lepage	41	
	do	do	Emp. Ind. Brasileira	400	
	do	do	G. Trunks & Co.	301	
	do	do	John Moore & Co.	15	
	do	do	S. Johnston & Co.	70	
	do	Buenos Ayres	Figuera & Irmao	170	
	do	do	G. Trunks & Co.	532	
	do	do	N. Megaw & Co.	145	
	do	do	Sequeira & Co.	110	
	do	do	Karl Krusche	1,091	2,768
7	Oravia	River Plate	Francisco Sattamini		25
	Rio Pardo	Southern Ports	Z. Ashworth & Co.	450	
	do	do	A. F. & Azevedo	200	350
	France	Marseilles	K. Valois & Co.	5,250	
	do	do	R. Roemer & Co.	450	
	do	do	K. Valois & Co.	500	
	do	do	J. Pradez & Co.	250	
	do	Constantinople	G. Trunks & Co.	1,350	
	do	do	N. Gepp & Co. Ltd.	250	
	do	do	Karl Krusche	127	
	do	Odessa	G. Trunks & Co.	250	8,127
	Olbia	Porth Elizabeth	P. S. Nicolson & Co.		8,000
	Estreito	Southern Ports	Siqueira & Co.	338	
	do	do	Zenba Ramos & Co.	215	
	do	do	V. Preisser & Co.	190	
	do	do	Aretz & Co.	61	833
			Total		57,974

FROM SANTOS

DATE	VESSEL	DESTINATION	SHIPPER	BAGS	TOTAL
June 4	Rei de Portugal	Havre	Auguste Leuba & Co.	6,610	
>	France	Marseilles	Karl Valais & Co.	1,750	
>	do	do	Auguste Leuba & Co.	700	2,250
7	Flazman	New York	Arbuckle Brothers	10,870	
>	do	do	Goetz Hayn & Co.	7,017	
>	do	do	E. Johnston & Co.	3,500	
>	do	do	Hard Rand & Co.	1,799	
>	do	do	Rose & Knowles	1,600	
>	do	do	Holworthy Ellis & Co.	501	25,277
8	Patagonia	Rotterdam	N. Gepp & Co. Ltd.	3,500	
>	do	do	Th. Wille & Co.	2,425	
>	do	do	Goetz Hayn & Co.	2,967	
>	do	do	Krische & Co.	500	
>	do	do	E. Johnston & Co.	1,500	
>	do	do	A. Trommel & Co.	950	
>	do	do	K. Valais & Co.	250	
>	do	do	J. W. Deane & Co.	1,000	
>	do	do	Henry Woeltje & Co.	250	
>	do	Hamburg	Th. Wille & Co.	1,871	
>	do	do	Krische & Co.	1,185	
>	do	do	A. Trommel & Co.	54	
>	do	do	Karl Valais & Co.	750	
>	do	do	Henry Woeltje & Co.	500	
>	do	do	Ferreira Junior	125	17,527
			Total		51,684

THE COFFEE SAILED DURING THE WEEK ENDING JUNE 9TH WAS CONSIGNED TO THE FOLLOWING DESTINATIONS.

	U. STATES	EUROPE & MEDITERRANEAN	COAST	R. PLATE	CAPE	OTHER PORTS	TOTAL
Rio	25,677	11,873	9,631	2,733	8,000	—	57,914
Santos	25,277	23,387	—	—	—	—	51,664
	50,954	35,260	9,631	2,733	8,000	—	109,633

SHIPMENTS OF COFFEE FROM VICTORIA

during the month of May 1899

S. S.	DESTINATION	SHIPPER	BAGS	TOTAL
Cucuta	United States	Pecher Zinzen & Co.	10,000	
do	do	Hard Rand & Co.	2,499	
do	do	Netto & Co.	500	12,999
Herschel	do	Pecher Zinzen & Co.	5,600	
do	do	Hard Rand & Co.	2,489	8,089
Desterra	Europe	Pecher Zinzen & Co.	504	
Sundry	Rio & Coastwise	Sundry	67	
	Total			21,659

The total exports from Victoria for the crop to 31st May were shipped by the following.

Pecher Zinzen & Co.	164,483
Hard Rand & Co.	102,720
Netto & Co.	4,983
Sundry	5,061
	<u>277,247</u>

The above coffee went to the following destinations:—

United States	234,145
Europe	32,507
Rio & Coastwise	6,235
	<u>272,887</u>

SPECIAL MARKET REPORT.

Monday, June 5th. The market opened firm with 108300 per arroba ruling at commissarios, with a fair demand on the part of dealers (ensacadores). Shippers came forward at 108500 per arroba for type No. 7 at which price 20,000 bags were sold, the market closing quiet.

Tuesday, June 6th. The market opened dull with commissarios asking 108600. No very great readiness to buy was shown by shippers who offered 108300 to 108400 per arroba for New York type No. 7, sales amounting to 14,000 bags and the market closing weak.

Wednesday, June 7th. The market opened a little more animated than the before, commissarios asking for 108400 per arroba. Exporters made offers on the basis of 1084000 per arroba with a fair demand, the business done consisting of nearly 15,000 bags and the market closing firm.

Thursday, June 8th. Firmness was notable amongst the commissarios, business being realized at 108700 to 108800 per arroba. Shippers offered 108500 to 108600 about 8,000 bags having been sold, the market closing well maintained.

Friday, June 9th. Commissarios sales were made on the basis of 108800 to 118000 per arroba and about 9,000 bags taken up by shippers at 108500 to 108600, the market closing steady.

Saturday, June 10th. The market opened very firm with commissarios prices ruling at 118000. Shippers, however, showed some reluctance to enter the market until the last moments when they took about 7,000 bags at 108600, per arroba the market closing undecided.

The sales of the week amounted to 73,000 bags.

COFFEE PRICE CURRENT

FOR THE WEEK ENDING JUNE 9TH 1899

Description	3	5	6	7	8	9	Average
Rio N. 6. per 10 kilos.	7.490	7.353	7.373	7.373	7.436	7.400	7.507
do N. 7 " " " "	7.626	7.548	7.558	7.558	7.624	7.629	7.629
do N. 8 " " " "	7.081	7.013	7.013	7.013	7.041	7.081	7.115
do N. 9 " " " "	7.217	7.149	7.149	7.14	7.217	7.217	7.115
Santos superior per 10kil.	6.809	6.872	6.872	6.872	6.872	6.872	6.789
do Good Average	6.145	6.877	6.877	6.877	6.800	6.800	6.800
N. York, per lb.	6.535	6.400	6.400	6.400	6.400	6.400	6.491
Spot No. 7 . . . cents	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6 1/2	6.16
Options, July . . . "	6	6	6	6	6	6	5.92
do Sep. . . . "	4.85	4.80	4.80	4.80	4.80	4.80	4.81
do Dec. . . . "	5.05	4.9	4.95	4.95	4.95	4.95	4.96
Havre, per 50 kilos	5.40	5.30	5.35	5.30	5.3	5.35	5.33
Options, July . . . francs	34.50	31.25	34.00	34.00	33.75	31.00	34.08
do Sep. . . . "	35.00	31.50	31.50	31.50	31.25	31.50	34.51
do Dec. . . . "	35.75	35.25	35.25	35.25	35.00	35.25	35.25
Hamburg per 1/2 kilo.							
Options, July . . . pfennigs	28.50	28.25	28.00	28.00	28.00	28.00	28.12
do Sep. . . . "	29.25	29.25	28.50	28.50	28.75	28.50	28.79
do Dec. . . . "	29.75	29.25	29.25	29.00	29.25	29.00	29.25
London per cwt.							
Options July . . . shillings	28/-	27/-	27/-	27/-	27/-	27/-	27.4
do Sep. . . . "	28.6	28.6	28.6	28.6	28.6	28.6	28.4
do Dec. . . . "	29/-	29/-	28.0	28.0	28.0	28.0	28.10

Rio. New York No. 7 was quoted at 78081 to 78217 on June 3rd, fell to 78013 78149 on the 5th and rose again to the former quotations on the 8th which were also maintained on the 9th.

Santos good average which was quoted at 68300 on the 3rd fell gradually till it reached 68900 on the 6th and rose again to 68900 on the 7th at which it was maintained.

New York. Sport prices Nos. 7 and 8 both weakened 1/3c. July and December options fell 5 points each and December 10 points.

Havre. Options all fell 1.2 franc per 50 kilos.

Hamburg. July options weakened 1/2 pfennig and September and December 3/4 pfennig.

London. July and September options weakened 61 each and December 3d.

Declared sales at Rio and Santos amounted to 161,000 in almost equal shares of the f. o. b. value of £ 238,613.

From our own Correspondent

Santos, June 9th. 1899

Although market values have not improved, but on the contrary gone down, since we last reported, there is more surety in dealings and prices are better defined. This, no doubt, is mostly due to the improving quality of the goods marketed and we can, therefore, register a fair business at the decline of about 300 reis on last week.

Receipts are very large for this time of the year: never in June such large entries came forward and they consist (a very small percentage excepted) of new crop's coffee, so that one might safely say that the crop of 1898/99 yielded 5,250,000 bags here.

The quality of receipts is improving as we said above, yet small bean coffees and Bourbon still largely preponderate. Most of the washed coffees are also of small bean only and, therefore, of difficult sale, hardly any premium being paid for these goods, whilst for larger bean goods of pretty color a premium of from 1500 to 2500 is paid.

The demand for low grades continues and several lots composed of old crop's coffees of medium grade have been bought at a premium of a few hundred reis, thereby pretty well exhausting our stock of such goods, at least as far as first-hand holdings are concerned.

Peaberries are sought after but scarce, both of old and new crops. The demand from the States is not lively, Rio is evidently competing with us now and limits from New York are consequently low. For undescribed goods types 3, 4, and 5, 6 3/8c was offered. The interior markets are quiet, which is usual for the month of June. Besides fairly large quantities for these destinations are still on their way.

The reluctance to buy shown by Europe is not quite comprehensible, the loss as our stocks in Hamburg are abnormally low, provided they are right 417,000 bags only of Brazilian origin and 219,000 bags of other kinds, against 525,000 and 400,000 respectively.

Orders from those quarters at present prices are, therefore, bound to come, and it is very likely only a question of quality that prevents

business. The small bean coffees we receive at present are not suitable for that German market.

Rottterdam and Antwerp are sending small orders at fair prices, Havre, however, is absolutely quiet. Orders for Good average at 27s 6d to 27s 9d and Superior at 28s 6d to 29s.

Le bulletin du Havre of 15th May writes as follows:—Speculative operations have been calmer during the past week and prices fallen, consequently, about 4 franc compared with last Monday. It is not that the sentiment in favour of higher prices, of which we have spoken before, has disappeared, on the contrary, it still exists, if only in virtue of the enormous interest at stake, but in order to provoke a rise if new operators cannot be brought in, the old ones must continue buying, whereas most of them only await a rise to realise. Certainly entries are small and will probably continue so for a while in consequence of heavy rains in the interior of São Paulo that have retarded the new crop; but the rise of last week was precisely founded on this fact of but little importance on the eve of the new crop, which may be somewhat retarded but, nevertheless, must soon make itself felt in the Brazilian markets.

There is a pretty general opinion that at present prices the new crop will be as easily placed as the preceding, especially with money as cheap as it is at present. That of course is possible and must be taken into consideration.

Last year on the 1st July the new crop commenced with a visible supply of 3,520,000 and quotations at Ilavro of frs. 35.75. It is believed that the price could not have been merely maintained but even raised to 40 frs. even without the enormous falling off of the first half-year's entries; a circumstance that induced many operators to speculate with the hope of the 1898/99 crop proving much smaller than it actually has, in spite of the considerable shrinkage of nearly 1,900,000 compared with 1897/98. It appears to us, however, if instead of that there had been a prospect of another crop of 10 1/2 millions the situation would have been very different. Besides in 1896, just before the commencement of the first big crop of 8,655,000 in 1896/1897, the visible supply was only 2,572,000, whilst on 1st May of this year it reached 6,427,000 bags, an increase of 3,855,000 bags. In spite, therefore, of the falling off of 1,900,000 compared with the preceding crop, we have on 1st May a visible supply 617,000 bags greater than that corresponding to last year. It is under such statistical conditions that the new season opens and if the new crop proves as large as is expected, it is to be feared that it will not be so easily placed as is imagined.

The firmer tone for Brazil grades, as noted in our last review, has disappeared and nearly all of the improvement in prices has been lost. Bear operators have become more aggressive in their operations, offering coffee with increased freedom and, as there has been an absence of force to the buying power, values have gradually sagged. Brazil markets have shown more of a disposition to sell coffee, the firm offers received, particularly from Santos, being on a lower basis, although still slightly too high to admit of business. The fact, however, that Brazil has offered coffee at lower prices apparently prompted bear operators to become more aggressive in their operations, particularly as it was generally understood that they had sent counter-bids to Brazil for large lines of coffee, and evidently hoped by depressing prices here and in Europe that the Rio and Santos markets would weaken in sympathy. A line of 15,000 bags Santos Nos. 5 to 9 were obtained at 6c cost and freight, but bids cable to Santos of 6 3/4c cost and freight for a large line of Nos. 3 and 4 for full shipment, as new as could be learned, were not accepted, although they were offered firm at 6 7/8c ditto. The spot market for invoices has been quiet and prices have weakened to 6 3/8 for Rio No. 7 and 6 7/8c for No. 4. The distributing business has been quiet, jobbers generally reporting a light trade, and the demand for package coffee also has been limited. West India growths have been fairly active and steady. The comparatively low prices ruling have continued to attract buying for investment account and, as importers have had no surplus stocks to market, the sales made have been on a steady basis of values, closing at 7 3/4c for fair Cuzcuta and 8 1/4c for good ditto. East India growths have been quiet, but firmly held for desirable grades, which are in light supply. *Weekly Journal of Commerce* May 15.

A better undertone has dominated the market for Brazil grades, and there has been a slight hardening of values for both actual coffee and contracts. The statistical position of coffee has received rather more attention. The world's visible supply during April decreased about 174,000 bags, which has had a tendency to call to mind more forcibly the light movement of the Brazil crop for the past month, receipts being considerably below the estimates made at the opening of the month, and it also drew attention to the fact that shipments of mild growths were only moderate, emphasizing the fact that these crops were smaller than a year ago. There has been, however, no aggressive buying, as the reports, which have been current latterly, to the effect that the new Brazil crop will be an early one, has had a tendency to hold buyers in check, as they anticipate a considerable increase in the receipts at Rio and Santos before the close of the current month. Roasters have been better buyers in the local market for invoices, as prices ruling here have been on a lower basis than in Brazil. The principal purchase was 11,000 bags Rio No. 7, made by Arbuckle Bros., on Wednesday, at 6 3/8 c. There have been rumors of fair sales of Santos Nos. 3 and 4 for full shipment from Brazil at 6.8c. and 6 7/8c. cost and freight. Nothing of a positive nature, however, could be learned. West India growths have had a fairly large sale. Roasters have been the principal buyers, and their purchases have included supplies on the spot and to arrive. There has been some recovery from the bottom prices touched, closing firm at 7 3/4c for fair Cuzcuta and 8 1/4c for good do. Desirable grades of East India growths have been in small supply and firmly held. Low grades have been flat. Advices received from Batavia estimate the Palembang crop 60,000 piculs, against 30,000 piculs last year, and the Kroo crop at 8,000 to 10,000 piculs. *Weekly Jl. of Commerce*, May 8.

A propos of the cost of production and yield of coffee we transcribe the following from a back number of the *Imperio* of São Paulo.

Account rendered of sale of 2,280 kilos or 152 arrobas of coffee.

Freight per railway	219\$600
Export dues	170\$500
Cartage in Rio	49\$400
Commission on sale	41\$000

480\$500

equivalent to 3\$162 per arroba.

This coffee came from Itamaraty in the district of Cataguazes in Minas, distant from Rio about 356 kilometres, freight being, therefore, at the rate of 1\$445 per arroba and expenses of sale and delivery at 1\$717 per arroba, and was sold on 5th November last at the rate of 9\$000 per arroba.

Average quotations during the first week of November ruled as follows:—No. 7, 9\$703; No. 8, 9\$345; No. 9, 8\$935. Consequently the quality must any rate be of a low grade and can scarcely be taken even as an average sample.

The books of the plantation, which was a small one of only 3,000 trees yielding little more than 50 arrobas per 1,000 trees—a very fair yield for Minas and Rio, though very little, compared with the average of 89 arrobas for São Paulo, show the following cost for production and delivery at the Railway Station:—

Weeding three times a year at 20\$ per 1,000 trees or 60\$ each time	180\$000
Road making and repairs	20\$000
Destruction of ants and parasites	30\$000
Picking 456 alqueires berry at 1\$, per alqueire	456\$000
Preparation of the drying ground	24\$000
Cartage of 8 loads of berry from plantation to drying ground	24\$000
Drying at 200 reis per arroba	30\$400
Washing and drying	15\$200
Cartage to mill	15\$200
Milling at 400 reis per arroba	60\$800
Cartage to Station	30\$400

886\$000

equivalent to 5\$300, per arroba.

The total cost of production was, therefore, 1:366\$641 or 8\$901, per arroba.

The sale realised, as has been said, 1:368\$, having, therefore, the minute sum of 1\$360 for interest on capital and planters' private expense!

Analysing the above, the following results are obtained as percentages of total cost of coffee delivered at the port of Rio, duty paid.

Caring, weeding, gathering, and cartage to Station	64.8%
Railway Freight	16.9%
Export dues	12.5%
Commission and cartage at Rio	6.7%

No doubt the quality of the coffee was poor, but even had it been above the average and equal to say No. 6, which was then quoted at 10\$366 per arroba, the profit of 209\$064 on 152 arrobas or 1\$375 per arroba for interest on capital and planter's private expenses shows how impossible the duration of such prices for long together must be.

The statement of expenses, with the exception of freight, which is probably above the average, appears to be not exaggerated, though probably on a larger estate the cost would be relatively smaller per arroba. Nevertheless, it seems evident that few, if any, plantations similarly situated can yield any profit at all under 9\$, per arroba, equivalent to 65 per 10 kilos.

At that price it is certain that a great deal of coffee in the moribund plantations, at least in the States of Rio and Minas must cease to be marketed, not only because it will cease to be profitable, but because it will in every probability leave a positive and irretrievable loss.

Quotations at present are little over 9\$000 per arroba and with a rising rate of exchange and a large crop in perspective promise to fall even lower.

The prospect of passing the limit of 9\$000, at which it has been proved that coffee is unmarketable in many districts, seems, therefore, almost certain, and as it falls lower, more and more coffee must be kept back and the supply restricted in this manner until it becomes insufficient to satisfy the demand, and prices rise again. It is evident, however, that until a good deal of coffee has, in consequence of a series of such disastrous prices, actually gone out of cultivation, that no improvement of importance can occur in prices, because as soon as they go up, the invisible supply thus retained will become marketable and send prices down again. As yet we believe that comparatively few coffee plantations have been absolutely abandoned, but that many will be, if low prices continue to make their produce unmarketable for another year or so, there can be little doubt. Planters have been in many districts, especially in Rio and Minas, living more on their wits than their profits for two years past. They are crippled with debt and unable often to meet current expenses. That under such circumstances many should throw up the sponge in disgust and leave their plantations to their fate is merely a matter of time.

THE WORLD'S COFFEE TRADE

(From the *Financial Times*.)

How to regulate the world's supply of coffee so as to prevent the unsettling of prices by the dumping of the «bouncer» crops of good years on the markets, is a problem, says the «*Mexican Herald*», that is occupying the attention of great dealers as well as of large producers. In food crops, as well as in fibre crops, the tendency is to larger annual yields in excess of the growth of the world's population; hence the tendency to lower prices for these great staples of nourishment and clothing. Brazil is the great coffee exporting country, and the history of the Brazilian trade begins at Rio Janeiro in 1817, when

63,986 bags were shipped. In 1832 the figures stood at 478,950 bags; in 1810, 1,000,000 bags were reached; in 1851 the figures exceeded 2,000,000 bags, and kept at that average until 1875, when exports amounted to over 3,000,000 bags, in 1881 the highest mark was attained at 4,377,418 bags. In later years the number began to decline, owing to the exhaustion of the productive power of the trees in the old districts. At Santos the records go back to 1850, when nearly 100,000 bags left that port. In 1871 the exports had grown to 500,000 bags; in 1877 to 1,000,000 bags; they increased in 1884 to 2,000,000 bags; in 1890 to 3,000,000 bags; in 1891 to 4,000,000 bags; in 1896 to 5,000,000 bags; in 1897-98 to 6,000,000 bags, near which figure production in that district is likely to maintain itself as long as the present economic conditions prevail, although the area available for coffee planting in the State is practically inexhaustible and no soil more appropriate for the purpose exist in the world.

For 1898-99 the Rio and Santos crops are estimated at 8,500,000 bags, and the visible supply, meaning the stocks in Rio, Santos, afloat and in the public warehouses in Europe and the United States, had increased to 6,576,000 bags on 1st January, 1899.

How prices have ranged and the visible supply has varied the following table makes clear:

	Visible Supply of Coffee in Thousands of Bags.	New York Price of No. 7 Rio Gold.
July	—	—
1892	2,955	13%
1893	3,101	16%
1894	2,146	17½
1895	3,116	16½
1896	2,588	13%
1897	3,976	7½
1898	5,438	6%
1899 (estimated)	6,700	—

It is proposed in Brazil that a great coffee trust be formed, limiting the exportation of coffee from the producing countries, and in the March issue of the «Bulletin of American Republics» Señor Olavarría, of Venezuela, proposes the establishment of a trust with a central committee in continuous session in one of the European capitals, which would from time to time send to each one of the countries in the league instructions as to the amount of coffee that it might export in a season. The Government of each country in the league is to enter into a solemn covenant to implicitly obey the committee's directions. Señor Olavarría proposes that this league should be immediately formed by a congress of economists of each of the countries concerned, which should meet in Washington as soon as possible. He predicts as a result of the operation of his plan the greatest benefit to the manufacturing and exporting interests of the United States and of their customers, the coffee-growing countries of South America.

For LIVER and GASTRIC complaints the KNEIPP CURE is THE BEST.

INSTITUTO KNEIPP Curvello Sta. Theroza.

Shipping, Produce & Imports

SHIPPING ARRIVALS AT THE PORT OF RIO DURING THE WEEK ENDING SUNDAY JUNE 11th 1899

DATE	NAME	FLAG	DESCRIPTION	TON-NAGE	WHERE FROM
June 5	Brest	French	S. S.	...	Bordeaux
5	Franco	do	do	...	River Plate
5	Franklin	British	do	1,397	Rosario
5	Hamperton	Brazilian	do	...	São Matheus
5	Phoena	do	do	...	Victoria
5	Roi de Portugal	Portuguese	do	...	Santos
5	Pinto	Brazilian	do	221	S. João da Barra
5	Carl	German	Barquentine	403	Hamburg
6	Oracota	Brazilian	S. S.	...	Liverpool
6	Itatiaya	do	do	...	Pernambuco
6	Esparanga	do	do	...	Araçajú
6	Normandia	do	do	25	Florianoopolis
6	Strabo	British	do	...	Santos
7	Duc. di Genova	Italian	do	...	Genoa
7	Dora	British	do	...	Rangoon
7	Orcana	do	do	...	Valparaiso
7	Unionist	American	do	1,403	Bahia Blanca
7	Neptun	German	do	1,283	Rosario
7	Tuppy	Brazilian	do	760	Macão
7	Ponêdo	do	do	452	Araçajú
7	Industrial	do	do	...	Laguna
7	Ebruria	Italian	Cruzeiro
8	Colestida	British	S. S.	...	New York
8	Washington Hall	do	do	1,913	Cardiff
8	Haperuna	Brazilian	do	...	Porto Alegre
8	Itapava	do	do	...	do
8	Carangola	do	do	220	Araçajú
9	Patagonia	German	do	...	Santos
9	Ypiranga	Brazilian	do	...	Santos
9	Salinas	do	do	...	do
9	Carota	do	do	159	Ubatuba
10	Brazil	Brazilian	do	...	Manões
10	Itatiba	do	do	...	Porto Alegre
10	Estrella do Norte	do	Schooner	113	Paraty
10	Paraguassu	German	S. S.	...	Hamburg
10	Cervantes	British	do	...	Liverpool
10	Merita	do	do	1,437	Buenos Ayres
10	Fidelitas	Brazilian	do	...	S. João da Barra
10	Itajá	do	do	...	do

VESSELS CLEARED FROM THE PORT OF RIO DURING THE WEEK ENDING 11th JUNE 1899

DATE	NAME	FLAG	DESCRIPTION	TON-NAGE	DESTINATION
June 5	Minas	Italian	S. S.	...	Genoa
5	Bragança	Brazilian	do	751	Pará
5	Rosse	do	do	1,082	Bahia
5	Itacolomy	do	do	...	Porto Alegre
5	Colombo	Italian	do	...	Santos
5	Oranta	Norwegian	Barque	1,537	São Paulo Island
5	Rinchorne	do	do	...	do
6	Grão Pará	Brazilian	S. S.	1,092	Liverpool
6	Roi de Portugal	Portuguese	do	...	do
6	Brest	French	do	...	River Plate
6	Matapan	do	do	...	do
6	Itaquí	Brazilian	do	...	Pernambuco
6	Itanby	do	do	...	Bahia
6	Priscilla	American	Barquentine	611	Baltimore
6	Pérez	Brazilian	Schooner	113	Itajá
7	Orcana	British	S. S.	...	Liverpool
7	Franco	French	do	...	Marseilles
7	Oracota	British	do	...	Valparaiso
7	Duchessa di Genova	Italian	do	...	River Plate
7	Rio Pardo	Brazilian	do	...	Southern Ports
7	Mashelyne	Belgian	do	...	Santos
7	Rio	German	do	...	do
7	Olivia	Norwegian	Barque	453	Port Elizabeth
7	Portinho	Brazilian	Schooner	40	Cabo Frio
8	Muquy	do	S. S.	...	Caravelas
8	Itapan	do	do	...	Porto Alegre
8	Itatiaya	do	do	...	do
8	Tuppy	do	do	75	Santos
9	Bark	do	do	170	Paraty
9	Cammandante Alvia	do	do	...	Victoria
9	Estreito	do	do	499	Porto Alegre
9	Pedro Monteiro	do	Schooner	53	Cabo Frio
10	Patagonia	German	S. S.	...	Hamburg
10	Strabo	British	do	...	New York
10	Itaperuna	Brazilian	do	...	Porto Alegre
10	Itapava	do	do	...	do
10	Pinto	do	do	221	Macão
10	America	Portuguese	Ship	908	New Orleans
10	Elephante	Brazilian	Brig	323	Pernambuco
10	Saldy	do	Schooner	49	Cabo Frio
10	Dons Amigos	do	do	34	do
11	Olivia	do	do	96	A. Lúnia
11	Ruskin	British	S. S.	1,552	Buenos Ayres
11	García	Brazilian	do	141	Paraty

SHIPPING ARRIVALS AT THE PORT OF SANTOS DURING THE WEEK ENDING 8th JUNE 1899.

DATE	NAME	FLAG	DESCRIPTION	TON-NAGE	WHERE FROM
June 2	Desterro	Brazilian	S. S.	91	Rio de Janeiro
2	Assidúti	Italian	do	2,152	Genoa
2	Murzburg	German	do	1,087	Brecon
2	Strabo	British	do	1,222	Liverpool
3	Havn	French	do	2,035	Marseilles
3	Normandia	Brazilian	do	295	Florianopolis
3	Corrientes	French	do	4,514	Havre
3	Saint Helen	British	do	1,454	Cardiff
4	Franco	French	do	2,152	Buenos Ayres
5	Ypiranga	Brazilian	do	170	Rio de Janeiro
5	Salinas	do	do	721	Pará
5	Novo Desterro	do	Schooner	31	Gruppe
6	Colombo	Italian	S. S.	1,577	Genoa
7	Matapan	French	do	2,082	Bordeaux
8	Rio Pardo	Brazilian	do	500	Rio de Janeiro
8	Rio	German	do	2,043	Hamburg
8	Mashelyne	Belgian	do	1,675	Glasgow

VESSELS CLEARED FROM THE PORT OF SANTOS DURING THE WEEK ENDING 8th JUNE 1899

DATE	NAME	FLAG	DESCRIPTION	TON-NAGE	DESTINATION
2	Independencia	Brazilian	Schooner	—	Paraguassu
3	Hera	German	Ship	—	Taitai
3	Normandia	Brazilian	S. S.	—	Rio de Janeiro
3	Franco	French	do	—	Marseilles
3	Strabo	British	do	—	Rio de Janeiro
3	Roi de Portugal	Portuguese	do	—	Antwerp
5	Corrientes	French	do	—	Buenos Ayres
5	Ypiranga	Brazilian	do	—	Rio de Janeiro
5	D. Rodolpho	do	Schooner	—	Tijucas
6	Assidúti	Italian	S. S.	—	Buenos Ayres
7	Flaxman	British	do	—	New York
8	Matapan	French	do	—	Buenos Ayres
8	Salinas	Brazilian	do	—	Pará
8	S. de Gama	do	Schooner	—	Itajá
8	Rio Pardo	do	S. S.	—	Porto Alegre
8	Patagonia	German	do	—	Hamburg

Carmo

Comfortable Boarding-house with excellent services at £1 11s 6d. per week or 5s. 6d. to 7s. 6d. per day for single rooms. Double-bedded rooms at £3 3s. to £5 5s. per week. Pennywell Road, Earl's Court S. W. London.

LIST OF VESSELS AFLOAT AND SAILING FOR RIO

AS PER LATEST ADVICES

NAME	FLAG AND DESCRIPTION	WHERE FROM	
Anglesy	British s.	Rangoon	Mar. 28
Amete	Liverpool		
Apollo	German bq.	Rangoon	April 15
Antares	German s.	Rangoon	May 15
Beata	German bq.	Swansea	
Blanchfield	British s.s.	Cardiff	May 5
Charles Dickens	Norw.	Pensacola	Feb. 21
Claudina		Oporto	
Cora	American s.	Cardiff	
Cortez	British s.	Leith	May 10
Coblenz	German s. s.	Brömen	May 13
Donna Julia	British bq.	Grimby	Mar. 30
Don Pedro II	Amer. bq.	Baltimore	May 4
Edmund	ve. bq.	Swansea	Mar. 21
Elbida	Norw. sc.	Pensacola	April 26
Elida	German bq.	Barry	April 20
Erzia	Norw. bq.	Glyde	May 1
Figaro	lt. bq.	Pensacola	April 21
Grazia	ve. sc.	Hamburg	May 4
Hamburg	German bq.	Rangoon	April 6
India	Norw. bq.	Cardiff	Mar. 1
Jotan	British s.	Norfolk	April 25
King's County	British bq.	Pensacola	Mar. 22
Landshrona	Pol. s.	Oporto	Mar. 18
Leonor	Br. bq.	Pensacola	April 24
Louka	Norw. bq.	Savannah	April 25
Lizzie Ross	British s.	Antwerp	May 12
Landsfarna	Pol. s.	Oporto	
Mariposa	Ger. bq.	Antwerp	May 12
Marys Palo	Brit. bq.	Hull	May 16
Mazadique	Brit. bq.	Chittagong	April 8
Norden	Norw. bq.	Savannah	May 1
Old South Ploug	Norw. bq.	Rangoon	Mar. 13
Pennym Castle	British bq.	Rangoon	Mar. 23
P. Whitson Jour	sw. bq.	Leith	May 16
Principality	Brit. s.	Barry	May 5
Polawo	Brit. s. s.	Pascagoula	Mar. 22
Ruby	Norw. s.	Pensacola	April 8
Saertner	Norw. bq.	Glasgow	May 11
Sutherlandshire	Brit. s.	Rangoon	March. 11
Turist	Norw. bq.	Oporto	
Vareto	Port. bq.	Hamburg	May 12
Vane	Danish bq.	Cardiff	May 13
Wilmington Italo	Brit. s. s.		

LIST OF VESSELS AFLOAT AND SAILING FOR SANTOS

AS PER LATEST ADVICES

NAME	FLAG AND DESCRIPTION	WHERE FROM	
Annie M. Snodd	Norw. s	Hamburg	Mar. 8
Blacksmith	Brit. s. s.	Cardiff	May 19
Blen	Norw. bq.	Liverpool	April 4
Erna	Danish bq.	London	May 21
Alfo	German s.	Barry	May 4
Lizzie Ross	Norw. bq.	Savannah	April. 25
La Balla	Norw. sch.	Liverpool	April. 21
Mete	German sc.	Hamburg	April. 28
Paqueta	German bq.	Hamburg	April. 27
Vasco da Gama	Ger Ship	London	May 16

THE FREIGHT MARKETS

Homo Market. Fairplay of May 18, says:— "The chief feature of the market this week has been the continued weakness of the Black Sea, Danube, and Azoff, the rates now obtainable, compared with those current about a fortnight ago, indicating a drop of about 2s. per unit.

The River Plate market is about steady, one of the last fixtures being from San Lorenzo to L. H. A. R. for May loading at 22s.

Coal rates from Wales are steady, as follows:— to Marseilles 10.50 ton., to Genoa 8s 3d., to Port Said 8s. to 8s. 3d., to Venice or Ancona 9s. 9d., to Constantinopl 8s. 6d., Malta 7s. 3d. Westwards there has been a good demand for tonnage, several boats having been fixed for Las Palmas or Teneriffe at 7s. 6d. For Cape Verde prompt tonnage has been in demand at 8s. to 8s. 3d. For Buenos Ayres, etc., the best now obtainable is 12s. to 12s. 3d., and for Rio Janeiro 12s. 9d. to 13s. For the East there is scarcely any demand; in fact for every order at 12s. 9d. for Colombo ten or fifteen boats could be procured.

Argentine Market. Trade with Brazil has remained active for parcels to all ports from the River Plate to Rio, the rates remaining firm at 17s/ to 18s/ from up-river and 16s/ to 17s/ from below bar. A steamer was fixed from Rosario to Rio, wheat, at 20s/ and a sailing vessel was taken up for the same destination at 82.30 for hay, beyond which the business done has been entirely in parcels. The Times of Argentina, May 29.

Local Market. Engagements during the week were as follows:—

By Mr. Wm. R. Mac. NIVEN:	(bags)
Por S. S. Strabo	for New York 16,500
" " Coleridge	" " " " 27,000
" " Melpomene	" " Trieste " 3,000
" " Patagonia	" " Hamburg 1,500
" " Rio	" " " " 2,000

By Mr. LUZ CAMPOS:		
Per S. S. Città di Milano	for Genova	3,375
" " Duchessa di Genova	" " " "	1,000
" " Colombo	" " " "	4,250
" " Danube	Southampton	900
" " Magdalena	River Plate	650
By Mr. JOAO DELAOUZE:		
Per S. S. Paranaquá	for Havre	750
" " Chilil	Oran	250
" " do	Mostaganem	125
" " do	Algiers	375
" " Béarn	Marseilles	1,250
Total		62,925

Current Coffee Rates for the Week ending June 2nd

	RIO	SANTOS
Antwerp 1,000 kilos	25/ & 5 %	25s. & 5 %
Alexandria	60 fcs. & 10 %	35s. & 5 %
Algoa Bay	50s. & 2 1/2 %	—
Bremen	30/ & 5 %	25s. & 5 %
Bordeaux, 900 kilos	40 fcs. & 10 %	30 fcs. & 10 %
Buenos Ayres per bag. 60 kilos.	35000.	35 fcs. & 10 %
Beyrouth	65 fcs. & 10 %	35s. & 5 %
Copenhagen	30s. & 5 %	27/6 & 5 %
Cape Town, via Engl. 1,000 ks.	50s. & 2 1/2 %	—
Constantinople	45 1/2 fcs. & 10 %	42 fcs.
Delagoa Bay	57s. 6d. & 2 1/2 %	—
East London	57s. & 6d. & 2 1/2 %	—
Fiume	37s. & 5 %	30s. & 5 %
Galveston (via N. Orleans)	40/ & 25 %	—
Genoa 1,000 kilos.	30 fcs. & 10 %	30 fcs.
Hamburg	30/ & 5 %	25s. & 5 %
Havre, 900 kilos	17.50 fcs. & 10 %	15 fcs. & 10 %
Lisbon	30s.	—
Liverpool	35/ & 5 %	—
London 1,000 kilos	30/ & 5 %	25 & 5 %
Marseilles 1,000 kilos.	30 fcs. & 10 %	fcs. 30 & 10 %
Montevideo per bag. 60 kilos	35000	fcs. 35 & 10 %
Mossel Bay	57s. 6d. & 2 1/2 %	—
Naples	40 fcs. & 10 %	40
New York, Liners.	35 cents. & 5 %	35c. & 5 %
N. Orleans Liners.	35	35c. & 5 %
Odessa	52 fcs. & 10 %	30s. & 5 %
Port Elizabeth 1,000 kilos.	50s. 2 1/2 %	—
Port Natal	57s. 6d. & 2 1/2 %	—
Rosario per bag. 60 kilos	45000	—
Rotterdam	30/ & 5 %	25s. & 5 %
Smyrna	45 1/2 fcs. & 10 %	35s. & 5 %
Southampton 1,000 kilos	25/ & 5 %	27/6 & 5 %
Talcahuano	45s. & 5 %	—
Trieste	35/ & 5 %	30s. & 5 %
Venice	45 fcs. & 10 %	35s. & 5 %

The s.s. Rio Pardo of the Lloyd Brasileiro Co. has now completed her repairs and made a trial trip, showing 12 knots per hour.

The United States' cruiser Montgomery, Captain J. Movel, entered this port on 3rd inst. The Montgomery measures 257 feet by 37 and draws 11 1/2. Her displacement is 2,074 tons and engines of 5,490 H.P. The Montgomery has twin screws and steams 17 knots. She is armed with nine quick firing 5 inch guns, six of 0.61, two one pounders and two gatlings.

ASSOCIATED BROKERS' PRICE CURRENT. RIO DE JANEIRO

FOR THE WEEK ENDING JUNE 10th 1899

DESCRIPTION	LOWEST	HIGHEST
Raw Cotton, Pernambuco	Per 10 kilos	13200
do Rio G. do Norte	" " " "	13200
do Gená	" " " "	13300
Sugar Campos, white crystal	Per kilo	850
" Serrão, mascavinho	" " " "	850
" Pernambuco, mascavo	" " " "	840
Rice, Rangoon, (Bullock)	" bag	124
Resin, American	" 250 lbs.	23000
Soda-ash	" kilo.	8250
Lard, American (Armour)	" 40 lbs.	12s. 4d.
Cement	" barrel	8.60 fcs.
Wheat-flour, Moimho Fluminense, 00, S. Leopoldo & Especial	" 2 half bags	305000
Wheat-flour, American, Chesapeake	" " " "	33500
Elderslow, Red Cross, Crystal & Castilla	" barrel	18s. 3d.
Wheat-flour, River Plate, S. Pedro Mill	" 2 half bags	27800
Mandioca-flour, Porto Alegre, fino	" 45 kilos.	152000
do do curso	" " " "	115000
do do sundry, do.	" 45 " " "	105000
do do Laguna, do.	" 45 " " "	112000
do do sundry, fino.	" 45 " " "	115000
Black beans, New York	" 62 " " "	11200
Bran, Moimho Fluminense	" bag of 40 kilos	3450
Cotton seed oil, American	" litre	450
Pitch-pine	" dozen	82000
Salt, Macão, fine clear	" alq. of 40 litres.	2400
do do curso	" " " "	3300
Tallow, River Plate	" kilo.	4200

THE COAL TRADE

The Scotch coal market is not quite so lively, but is in a good healthy condition. There is, perhaps, not quite so much pressure for export, but, on the other hand, there is not a sufficient supply of ready tonnage, though there has been some heavy chartering for the Baltic. As Cronstadt is now open the Baltic season may be considered as fairly started, and it is expected to be a very busy one, unless a check is put to it by any adverse movement in freights. The Belgian strike is lasting longer than was expected, and is now causing the diversion of more orders to Scotland, though Scotland is not benefiting to anything like the same extent as the Tyne. The home demand is as active as ever. Steam coal is rather easier at 10s. to 10s. 31.; all is in large demand and firm at 10s. 3d. to 10s. 9d.; splint is in full supply at 9s. 6d. to 9s. 9d.; main moves off at 9s. to 9s. 3d. f.o.b. Glasgow, or the equivalent thereof. There is a sustained demand for best dress and for all classes of nuts. The men are working steadily, and may be expected now to work full peg right up to the July holidays, by which time a large output will have been secured. The Home Office paper just issued shows that the output of coal in Scotland last year was 30,237,205 tons, an increase of 1,151,620 tons on 1897. It is thought that the output this year will be at least a million tons more. The output of the United Kingdom was 292,051,516 tons, or just 75,415 tons less than in 1897, notwithstanding a reduction in the Welsh output of over 8,000,000 tons in consequence of the strike. But for the Welsh strike the entire output would have been over 210,000,000 tons.

The Newcastle coal market has been rather held down by the scarcity of boats, the arrivals of which have been insufficient to take away the stuff waiting. But order books are full, and chartering goes on briskly for summer shipments. Best Northumbrian steam is quoted 12s. 9d., and bunkers 9s. 6d. f.o.b. There is a large demand for all sorts of manufacturing coal. *Fairplay*, May 18.

COAL EXPORTS FROM GREAT BRITAIN

DURING THE MONTH OF APRIL

From Cory Bros. & Co's Export List

ORIGIN	S. WALES		NORTH COUNTRY		SCOTLAND	YORKSHIRE	TOTAL
	Freight	Quantity	Freight	Quantity	Quantity	Quantity	
Bahia (sail) . . .	15/9	—	14/6	—	—	—	—
Rio de Janeiro . . .	11/6	21,310	11/-	2,006	4,500	—	39,855
Pernambuco . . .	15/9	3,061	11/6	397	—	—	3,458
Pará	16/6	5,732	11/6	1,132	—	—	6,864
R. G. do Sul . . .	2/6	570	2/6	—	—	—	570
S. Catharina . . .	20/	—	—	—	—	—	—
Santos	16/6	2,878	17/-	46	—	—	2,924
Maranhão	14/6	688	14/6	298	—	—	986
Total for April . . .	37,278	37,278	3,879	4,500	—	—	15,657

Railway News and Enterprise.

THE CENTRAL STATE RAILWAY OF BRAZIL

From the Economist, May 13

There can be no doubt that the most valuable asset possessed by the United States of Brazil is the Central Railway. From time to time we hear that the Government propose to lease it to a European or American syndicate; negotiations are carried on for a while, then the whole matter is dropped, and, probably, soon forgotten, until it is again revived later on. The Funding Scheme, which was brought out a year ago, has given the Republic breathing space for three years; but it is evident that the sale or lease of the Central Railway would put a large sum of money into the country's coffers. The Finance Minister, in his message some months ago, referred to the advantages which would accrue to the country from disposing of this asset, and stated that attempts would again be made in that direction. There are many groups of capitalists who are anxious to acquire this railway, but the difficulty in the way always seems to be in respect to the terms, for the Government value it at a price far above what any syndicate are prepared to give. There is no doubt that any body of financiers would require it on very good terms to themselves, with the object of ultimately selling it to a company at a big profit. And, although any such scheme may at present be a long way off from realisation, it will come in time.

It is a comparatively difficult task to get information concerning any Brazilian undertaking, and it is doubly so in connection with this line, notwithstanding that it is a Government property; for the constant fluctuations in exchange make figures to many very confusing, not to say misleading. Until a short time ago the Brazilian Government possessed eight other lines, in addition to the Central, the whole nine having cost the State 325,000 contos to build, or about £28,000,000, and in 1896 the Government loss on working seven of these was about £87,024. Recently, however, four of the lines were leased for 60 years, which means that, besides saving the country the burden of management, they further brought in a total sum of £164,466 and an annual revenue of between £13,000 and £41,000. The successful leasing of these four railways shows more for the administration of President Campos Salles than appears on the surface, for when similar proposals were brought forward during the régime of his predecessor, they met with so much opposition from employes of the lines that they had to be speedily abandoned,

The Central is the most important of all the State lines, both as regards length and results of working. It consists of 777 miles, running through the States of Rio de Janeiro, Minas Geraes and San Paulo, starting from the city of Rio de Janeiro, the capital of the Republic, to Sete Lagoas and San Paulo. The history of this line goes back as far as 1835, when the railway was first proposed, but the concession for the same was not granted until 1849. Even then it was not plain sailing, for no definite attempt to build the line was made until 1852, when the State granted a guarantee with the concession. Three years later a company was formed which commenced the surveys for the line, and put in hand the construction of the works on the first two sections, the first of which was completed and opened in 1859. In 1865 the line was opened for 133 kilometres, but, owing to the exceptionally costly works in crossing the mountains, the capital of the company was exhausted. It was then that the Government took over the company, and continued the line until it is now 777 miles in length. It is considered to be of a capitalised value of £13,124,000, or nearly £17,276 per mile. This, on the face of it, looks high, but, by comparison, it is not so, for there are many English-owned railways in Brazil whose capital per mile is higher, independent of the fact that on the whole length of the Central Railway there is not one single stretch of easy line. The capital per mile of the San Paulo (whose last dividend was at the rate of 9 per cent. per annum) is over £10,000, and that of the Bahia and San Francisco Railway is £23,131 per mile, so that the capitalised value of the Central is not, after all, so very excessive. Owing to the present low rate of exchange, however, the capital which this railway represents is now only about £5,000,000. For some time past the receipts have exceeded £1,500,000 per annum; but, unfortunately, the working expenses have always been greater than the receipts until, in 1897, when owing to a better and more energetic management, the receipts in sterling were £1,012,879, and the expenditure £973,082, or a profit of £39,797. In 1897 the number of passengers carried was 11,755,491, and the receipts from goods traffic amounted to £637,913. It is, however, very interesting to note that during that year the sum represented by gratuitous transport of passengers and goods was about £90,000.

At one time this railway was a good source of revenue to the country, and there certainly seems no reason why it should not again be worked at a good profit. It is worked more as a political than commercial undertaking, but since Dr. Campos Salles became President of the Republic, changes have been made for the benefit of the public, and the staff has been greatly reduced although it is still considerably overmanned. There can be no doubt that if it can be made to show a profit, as it did in 1897 as a Government undertaking, as a private enterprise it should be very successful. The railway taps some very important parts of the three States in which it works. For example, in the great diamond-producing State of Minas Geraes, its terminus is Sete Lagoas, situated 430 miles from Rio de Janeiro, a journey which occupies twenty-one hours. Passengers and goods coming from the interior have to journey by carvans to this town, and thence by the Central Railway to the coast. As a vigorous attempt is being made to push the diamond industry in this State, the prospects of the railway in that direction look promising. There seems no doubt that this line could be sold for a fair price, and with good management could be made a profitable undertaking, while its sale would relieve the Republic from supporting in official idleness a number of superfluous employes, besides giving the country command of a sum of ready money which could not fail to be very useful at a time like the present, when her finances are struggling upwards toward rehabilitation.

Southern Brazilian Railway. The directors of the Southern Brazilian Rio Grande do Sul Railway are pretty outspoken on the subject of the Brazilian funding scheme in the annual report which is to be submitted to the shareholders on the 25th inst.

"On June 16, 1898," they say, "Messrs. N. M. Rothschild and Sons notified through the press that the Brazilian Government, instead of paying in gold as hitherto, had decided to pay the railway guarantees in five per cent. funding bonds, secured on the Customs, during a term of three years from July 1, 1898." Then comes a plain statement of fact which will not be relished at Rio. "No previous intimation of this step had been given to the company, and no opportunity was afforded of discussing the intended change, or the consequences thereof, either directly with the Brazilian Government or through Messrs. Rothschild." That was the unkindest cut of all, as *The Financial News* urged upon Brazilian bondholders at the time.

The directors of the Southern Brazilian Rio Grande do Sul instructed Mr. Duprat (the general manager) to proceed to Rio de Janeiro, to place before the authorities the serious loss which the company suffers under the funding scheme. "They regret, however, that the Government has not, so far, seen its way to accede to any of the various proposals submitted to it by the company." If the directors of the company suppose that the Brazilian Government is ever likely to accede to any proposals made in the interests of the foreign investor we are afraid they are indulging in a vain hope.

The guarantee on the line, it seems, has been paid with the usual promptness, but in funding bonds. The bonds received for the half-year ended in June were sold at an average of 79 1/2 per cent., realising £42,267 11s. 7d., the amount due from the Government for the same period being £53,210 11s. 5d. the bonds for the second payment (the six months ended December 31, 1898), received since the closing of the accounts now submitted, have been sold at an average price of 89 1/2 per cent., realising £47,000 17s. 7d., the amount due being, as before, £53,210 11s. 5d. Investors interested in the line may easily figure out for themselves what it has lost by the Brazilian default. We only hope that the outspoken language of the earlier paragraphs of the report, quoted above, will not lead the Brazilian Government to attempt reprisals in some of the many ways with which it is familiar. *The Financial News*.

THE CITY OF SANIOS IMPROVEMENTS COMPANY, LIMITED,

The eighteenth annual general meeting of shareholders in this company was held on Thursday, May 11th, at the offices, Gresham

House, Old Broad Street, Mr. D. M. Fox, M. Inst. C. E. (Chairman of the company) presiding.

The Secretary (Mr. J. E. Rimmer) read the notice convening the meeting, and also the minutes of the previous meeting, which were confirmed.

The Chairman: Gentlemen, I have now to propose the following resolution, namely: "That the report and statement of accounts now submitted be received and adopted," but before putting the resolution to the meeting I will say a few words in explanation of the report and accounts, though I think you will agree with me that the report itself is eloquent in its brevity and conciseness, and requires very little explanation. I am sure that it has given as much satisfaction to the shareholders to receive such a report, as it has been to the board to be able to submit it. In going through the items of the report the first paragraph says that the gross receipts for the past year show a satisfactory increase over those of the previous year. Now, it may very fairly be asked "what do you consider a satisfactory increase?" As a matter of fact the increase is 16 per cent. in the gross receipts in currency over those of the previous year.

After proposing to pay a dividend of 8 per cent., making 6 per cent. for the year on the preferred capital, we carry forward the very respectable sum of £1,630. We think it well to carry forward such a sum, so as to be on the safe side though affairs in Brazil, no doubt, are looking very much better now than they were, perhaps, a year or two ago. The prospects are good, and exchange seems to be rising a little, and our revenue is increasing. Still, it is just as well that we should carry forward such a balance as £1,630. Now we come to the paragraph about the new works. I have, on former occasions, enlarged on the character of these new works, and I can only confirm what is written in the report, namely, that the works are in a very forward state, and we expect that they will be completed well within the time when the new tariff will come into force. This new tariff is on a fixed basis, so that whether exchange goes up or down, we shall always know what our revenue will be. In connection with these works it is well to bring a few of the principal features before the shareholders. The main consists of a 20-in. cast-iron pipe 15 miles long, and brings water from a river in the mountains up which the San Paulo Railway ascends into the interior. The supply is by gravitation, so we save all the costly annual expenditure of pumping. Our old main consisted of an 8-in. pipe originally, and this was supplemented by a 10-in. main, which was added some years subsequently, and which jointly supplied 1,000,000 gallons per day. Now, the new 20-in. main will supply 4,500,000 gallons a day, thus giving a total of 5,500,000 gallons a day, or equal to about 69 gallons per head for 69,000 people, the present population being about 35,000. That is a better supply of water than any city on the coast of South America has got. In fact, there are few cities in the world which have such an abundant supply, but we have been taught by experience. We began with an 8-in. main, which, for the city of Santos, seemed to be large enough at the time. Then we had to put in a 10-in. main. We have now provided for an increase in the population, by supplying a 20-in. main.

I now come to the statement of accounts and balance sheet. You will see that there are deferred shares amounting to 3,500. I should like to express a hope that before very long, when we consolidate our capital, we shall be able to make arrangements by which the distinction of preferred and deferred shares is done away with. Turning to the other side of the account, the works at Santos, you will find, stand up to December, 1898, at £82,600. The debtors at Santos amount to £11,111 which increase is principally owing to a debt of £3,030 from the Government for duties on pipes, since paid. When the arrangement was made to give a 20-in. pipe instead of a 15-in. pipe, it was understood that the Government would repay us these duties if the Central Government did not exempt us from them. It was, in the first instance, only a verbal arrangement with myself when I undertook to supply a 20-in. main on condition that we were exempted from duties. The province has loyally kept to this arrangement, and I say all honour to them for having fulfilled what was, in the first instance, merely a verbal promise. It is only fair to say this about the Government of the State of S. Paulo for having acted in the straightforward and honourable way in which they have always dealt with this company, and I think with others also. (Hear, hear.) The stores have been increased by a large shipment of material for the new works. I could go on talking about Santos for the next two or three hours. You cannot realise what Santos is. Those of you who have not seen it only know it from the picture on your certificates with a palm tree here and there, but if you had resided there for 20 years you would appreciate what it is going to be. We call ourselves the City of Santos Improvements Company, but the real city improvements company is the Dock Company of Santos, which has transformed the foreshore of the city from a mud-bank into a magnificent sea-wall nearly two miles in extent. This company is an ally of ours, and we are doing all we can, by supplying the city with water, to assist them in making Santos what it is now. I was speaking to a man who knew the place in the days of the yellow fever, some years ago, and he then asked me, "What is the use of doubling the line down to Santos?" and remarked that Santos was played out. I said, "You are worse than the Brazilians, and have no patience; wait until the quays and docks are finished, and then you will see what it will become." That very same man told me only the other day that Santos is now the healthiest place on the coast. (Applause.) I now beg to move that the report and accounts be received and adopted.

Mr. E. J. Halsey seconded the motion, which was agreed to unanimously.

The Chairman then moved: "That a final dividend on the preferred ordinary shares at the rate of 8 per cent. per annum for the half-year ended 31st December last be and is hereby declared payable forthwith."

Mr. M. H. Moses seconded the motion, which was agreed to. On the motion of Mr. E. J. Halsey, seconded by Mr. C. Critchett, the retiring directors, Mr. D. M. Fox and Mr. M. H. Moses, were re-elected.

Mr. T. Carter then moved—"That the retiring auditors, Messrs. Deloitte, Dover, Griffiths and Co., be re-elected, at the remuneration of 25 guineas."

Mr. Newbery seconded the motion, which was agreed to unanimously.

Mr. Henderson said the next resolution to be proposed was one dealing with the remuneration of the directors. According to the Articles of Association the directors' remuneration was £500 a year, with an additional £500 a year when the dividend in any year exceeded 5 per cent. He was of opinion, and he thought that the shareholders present would agree with him, that as their company had grown very considerably, the fixed remuneration of £500 a year or £1000 a year each was very small, and the proposal he had to make, namely, that the fixed sum should be £750 a year, with an additional £250 a year, would meet with their approval. The sum of £750 was really a much smaller amount than was usually given as remuneration for directors in companies of this size, and he hoped that no one would take exception to his proposal. He begged to move:—

"That in respect of the year 1898 and of every subsequent year the annual remuneration of the directors shall be £750 a year, and in addition a further sum of £250, in respect of any year in which a dividend exceeding 5 per cent. shall be declared upon the ordinary shares."

He might say that this proposal did not increase the total remuneration, but simply reappportioned the amount of £1,000 which would be payable to the directors in the event of 5 per cent. being paid.

Mr. Newbery seconded the motion, which was agreed to unanimously.

The Chairman said that on behalf of his colleagues and himself, they were very much obliged to Mr. Henderson for the kind interest he had taken on behalf of the board, and they were also very much obliged to the gentleman who had seconded the resolution and to the shareholders for having carried it. In his opinion the labourer was worthy of his hire, and certainly during the past few years, although they had had a good deal more work, they had received less remuneration than possibly they should have done. They also had had a very great deal of anxiety. The directors, however, had not complained, and it was therefore, all the more gratifying that the proposal should have been made in the handsome way that it had been by Mr. Henderson. He assured the shareholders that the directors would, as in former times, give their best attention to the company which they had all got quite fond of.

Mr. Henderson said that he was sure he would be echoing the feelings of those who were present, as well as those who were absent, in moving a hearty vote of thanks to the chairman and directors for their attention to the affairs of the company during the past year and in times gone by. He knew of no company, and he had had to do with a great many, in which directors had taken a more intelligent interest in the affairs of an undertaking than they had in this company. The chairman knew the spot, and knowing it as he did, he had been able to give their business an attention which was quite surprising, considering the remuneration he had received. However, he was sure that with him it was not a question of remuneration, for he had worked almost for the love of it, and the result, as every shareholder knew, was entirely satisfactory.

Mr. C. Carter seconded the resolution, and said that having been in touch with Santos for as many years as the chairman had lived there, he fully appreciated all that had been said.

The Chairman having returned thanks for the vote, the proceedings terminated.

The Western Telegraph Company. Under this denomination the amalgamation of the Brazilian Submarine and Western Brazilian Telegraph Companies has now been duly authorized.

Ouro Preto (Brazil).—Passagem Mine report for March:—Incline shaft No. 2 was sunk 2.20 metres in schist under the footwall. 640-metre cross-cut was driven 2.30 metres in very hard thick bar of quartzite against the roof. A rise has been put up through this, instead of stopping it, and was advanced 3 metres. 40) end north-east was driven 10.80 metres in quartzite on the further side of the Buraco Secco shoot, and is suspended. Rise from cross-cut at 400 end north-east was put up 2.80 metres, making a total of 755 metres, and reached the hanging-wall, against which a small branch of quartz was found. An intermediate level has been started on this branch, and was driven 1.40 metres, and the ore is already widening. Rise over 315 north-east was advanced 6.30 metres, but is still without ore. Rise over 215 north-east is being put up from a slope which is in quartzite in the line of the Buraco Secco shoot. It was advanced 1.80 metres. Stopping.—Work has been started with a small force at the 510 level between shafts to open up the lode to its full width and prepare for regular stopping, and as far as can be seen at present, the ore there is of good width and yield. The stopes at the 505 between shafts continue to be very productive, and other stopes throughout the mine present much the same appearance as at date of last report.

Cablegram from the mines, giving the April return: 4,717 tons of ore produced 1,783 oz. of gold. Office note: "The lower tonnage is accounted for by the breakage of a water wheel shaft, causing a stoppage of half the mill for about 13 days."

The Douglas & Acme Instantaneous Water Heaters

Hot water at any minute of the day or night is one of the many advantages of these machines, which are extensively used all over South America; there being some 500 in use in Rio de Janeiro alone. A bath may be furnished with hot water instantaneously at any hour of the day or night at a trifling expense. The Instantaneous Water Heating Co. 48 Cliff St. New York.

The Brazilian Review

SUPPLEMENT

RIO DE JANEIRO, TUESDAY, JUNE 13th, 1899.

MESSAGE OF THE PRESIDENT OF THE STATE OF PARÁ

APRIL 7th 1899

To the Members of the Legislative Congress,
Gentlemen:

I have the honor of hereby presenting to you the report contained in this message, in accordance with the regulations of the Constitution.

With the object of supplementing its inevitable deficiencies, especially as regards administrative details, I may be permitted to call your attention to the interesting reports emanating from the different branches of the public service.

It is with well founded hope that the State expects to see confirmed by the present legislative session the admirable judgment with which your deliberations have been always inspired and directed towards the defence of its interests, more complex and important every day.

Participating in this well deserved confidence and with the highest respect for your judgement, I now offer the best and most patriotic solicitude and assistance of the executive to aid you in the labours you are about to undertake.

On 15th March last, the 9th anniversary of the proclamation of the Republic, the whole country attentively witnessed the pacific transmission of the supreme presidential authority, at that time exercised by the illustrious Dr. Prudente José de Moraes, to his eminent successor, Dr. Manoel Ferraz de Campos Salles.

The worthy ex-president, in a lengthy manifest, relates with great detail the principal events as well as the acts of Government during the eventful period of his term of office. This custom, so wisely initiated, possesses the advantage of furnishing to the Country, every four years, trustworthy information, by which it can arrive at correct opinions as regards the administration, such as the analysis of isolated facts is unable to afford.

From this point of view the testimony that the late chief of the Government left us constitutes of itself not only a notable service but an admirable proof of republican sincerity and loyalty.

In his turn, the new President ratifying the capital points of the manifest published on the occasion of his candidature at the March elections, on the very day of his investiture addressed to the Nation an inaugural address descriptive of the administration, that during four years he must continue to direct.

Comparing these notable documents, it is evident that both insist upon one single dominant idea, which may be summed up in the duty and necessity of unflinchingly maintaining the integrity of the Fatherland (Patria grande) within the regime of the Federal Republic, repudiating for ever all unhealthy tendencies towards a retrograde and centralising unitarism.

On the other hand, they inspire the consoling belief that in the elevated regions of the National Executive the revolutionary canker, that so long impeded continuity of administrative action, has at last yielded to the precepts of solidarity between Governments that succeed each other in constitutional order.

As the mere executive of functions confided to me and sincere believer in the Federal system of republican government, I congratulate myself and you on this dual and significant event, suggestive of so many wholesome reflections.

Allowing for differences of style and inflexion peculiar to the temperament of their authors, a single voice, it may be said, and that a patriotic one, is perceptible in both documents, asserting the proximate and practical triumph of the federal idea, that scientific investigations, aided by a previous and traditional republican propaganda, foreshadowed and founded on the irresistible laws of human progress and the fundamental conditions of national unity and existence.

No other conviction could guide a government that sincerely desires to act up to a situation that can be alone properly comprehended and utilised by such as have never lagged behind in the exact conception of what that future must be; a future that already reflects light back upon the period that must realize the definite consolidation of the Brazilian Fatherland on the basis of the voluntary cooperation of self governing States indissolubly united in the defence of the integrity, credit and honour of the Country.

Thoroughly acquainted with the State, to which I have the honour to belong and which I am proud to govern, I am certain that whatever our political controversies may be, differences of opinion as regards the federal or Unitarian principle of Government — long since decided — can never be their origin. This is a question altogether eliminated from the sphere of practical politics. What Pará unreservedly desires, I can confidently assert, is that the federative system be ably, sincerely and resolutely put

into practice, as is proved by the manner in which it has comprehended its obligations as a self-governing State, nobly subordinating its own interests to those of the Union.

The supreme authority of the Nation can, therefore, count on our decided aid and support in the defence and perfection of the Federal Republic, as yet so imperfectly comprehended and practised in this Country.

The inaugural address, to which I referred, lays down the doctrine as regards the coexistence of distinct sovereign powers, as established by the Constitution, in the following extract:—

Whilst inflexibly and zealously defending all the prerogatives of the Executive power, exercised by right of the direct sovereignty of the Nation, I reiterate my most profound respect for all the other constitutional powers in the orbit of their separate responsibilities. This attitude, which will be rigorously observed, will fortify the Executive on its side when presenting an obstinate resistance to all attempts at usurpation.

The rôle of the Judicial power in the development of its constitutional functions makes its relations with the other powers less intimate and more remote. It is a power that does not struggle, does not attack, and does not defend, but judges. Without the initiative that belongs to the others, its action is only manifested when it is provoked. Outside this region of peace and purity, the only one in which justice can reign, its moral prestige disappears in the heat of passion.

The relations between the Executive and Legislative Powers are more direct and frequent. These powers come into close contact in their dual sphere of government and administration. To them corresponds the duty of maintaining by the development of their mutual activity a continuous and harmonious convergence of effort for the commonweal.

It is indisputable, because it is the nature of our system, that to the Executive Power belongs the initiative of Legislative measures of an administrative character. It is, therefore, clear that such initiative, the object of which is to prepare and facilitate the joint action of all the powers, can be of no use, what ver should the legislative power refuse its co-operation by taking a different or contrary course.

The manifest then refers directly to the most urgent necessity of the moment, in the following terms:—

The actual moment is solemn because of the absolute necessity of the frank and resolute co-operation of the legislative power in order that a financial policy be put into execution, rapidly calculated to meet the urgent necessities of the Treasury, such is the dominating point of my administration.

Before proceeding to analyze the grave allusion to the urgent necessities of the Treasury, it is pleasant to be able to remind you that in February 1897 I publicly manifested, from a point of view perhaps more restricted, a similar doctrine to that which an ardent propagandist, now the first magistrate of the Country, supports with his authority. Like the President of the Republic, I also, invoking the lessons of the propaganda, urged the constitutional prerogative and practical advantages of granting to the National Executive ample initiative with regard to new legislation and in furtherance of the progress of the Country.

I may here be allowed to allude, amongst other similar manifestations, to those contained in my message addressed on that date to the Congress of Pará.

For some time the Executive has been collecting evidence to enable it to form an opinion as to the nature of the public demands in regard to the financial question. What is requisite is to formulate a definite solution and lay it before the Legislature, which, when rightly guided, is certain to adopt it. By a single measure a dual result may be obtained — the improvement of the circulation, that enervates and impoverishes us, and the demonstration of the importance of executive initiative in the presidential system. Not but that objections are sure to be raised against initiative on the part of the Executive. But so many a non option originates only in doctrinal prejudices that insist on the absolute separation of public powers that should be harmonious — the Executive and Legislature — and, in lieu of a logical and useful distribution of the Country's forces, installs each one in the impregnable fortress of an irritating and impossible independence against the encroachments of the other.

Evidently the fact that each possesses its own distinct sphere of action cannot be a motive for supposing that the exists no connecting link between them, or that the Executive can never be permitted to interfere by its initiative in the deliberations of the Legislature without interrupting its harmony or usurping its attributes.

Should such attributes be refused to the Executive, whatever the political system might be, it must cease to constitute the supreme regulator of social interests and, in the hands of an arbitrary parliament, be converted into a centre of political and administrative anarchy in every social relation.

Following out the principles I now call to mind, which have been so distinctly observed in Pará, the Legislature, Executive, Judicial and other legitimate organs of opinion all agree in supporting without reserve the opinions of the illustrious head of the Nation.

The President aspires to see proscribed the particularist policy, so inconsistent with the federal régime that in former times despoiled this Province of its resources and left it, a miserable mendicant, to knock incessantly at the door of the Treasury and beg not to be forgotten, every time that a greedy Centralisation deigned to dole some paltry assistance towards a precarious existence.

His Excellency, moreover, advises that the Union should be constitutionally relieved of the administrative burdens that properly belong to the States. Nothing more just or more urgent. Pará, however, has long since anticipated this aspiration; the only one that can lend dignity to the existence of autonomous States and harmonise with the ample initiative thus assured, can rightly direct our choice and assist us in linking together those independent agencies prescribed by Federal principles and common sense.

There still lives in the minds of contemporaries of the late régime memories of the humiliating position of the ex-province forced to implore the return of part, at least, of its own revenues by the central authorities, by whom it was extorted without shame or pity, not always with results in proportion to the clamour of its laments.

It is impossible that any one here can wish for such times as those, much less when Pará has, from the very first day of the new régime, utilised its self-governing prerogatives as a free State conscious of its responsibilities. Neither its own burdens, that it inherited together with the advantages it now enjoys, nor even those, that, according to the Constitution, rightly correspond to the Union, ever cooled the desire of this State to weigh less on the federal resources and cooperate in all it could directly and indirectly to resolve the crisis that threatens the Finances and Treasury of the Republic.

Upon this subject the President continues in terms that, not to risk misrepresentation we transcribe *verbatim* :—

The monetary condition of the Country, in the opinion of competent authorities confined by the observation of valuable examples, depends less on legislation than on the economical situation. It is to Agriculture, Commerce and Industry that we must look for it to be organized and maintained rather than by laws. It is necessary to produce.

The problem of production, in new countries, is intimately connected with the problem of population.

The Constitution, however, transferred to the States all the vacant lands situated in their respective territories. This signifies that the two problems are constitutionally and essentially dependent on the action of the different States.

The vast field in which the administrative activity of the States must develop and exercise its fertilizing collaboration for the prosperity of the Republic is, therefore, indisputable. Once native industry, as the author already cited remarks, succeed in providing for internal consumption and supplying a surplus for exportation, it will guarantee not only that National capital should not be wasted abroad, but will also attract foreign capital. It is only thus that a perfect system can be established, whatever legislation may be.

In the vast field of State responsibility there is, therefore, scope and to spare for the development of this practical and fertilizing action, favourable at once to the progress and wealth of the States as to the consolidation of the finances of the Union. In this form they will prove but so many links to bind us together as a Nation under the stimulating influence of the Federal system.

To the unity of race, of historical traditions, of language and religion, which generate the cohesion of national sentiment, it is necessary to add the community of economical and financial aspirations fortified by the bonds of solidarity between the Union and the States. Upon our economical constitution I found, therefore, the basis of financial regeneration.

Even on such grounds, the administrative methods we have adopted constitute, so to speak, an anticipation of the cooperation which is now asked of us. Amongst us, the most ardent efforts are being employed to multiply production in its varied forms, and conquer the difficulties opposed by the very nature of our principal industry — the collection of rubber.

In spite of the influence of this powerful product, at once the chief element of our growing prosperity and the cause of the restricted variety of our production, neither the Executive nor private citizens have spared their efforts or despair of ultimately solving the problem of supplying by our own labour and on our own soil all the necessities of life that agriculture can furnish.

And with all the more energy, when it is evident that it is not in this State, prodigious as its area is, nor, in other States of the Union, but in foreign countries that we now seek provisions indispensable for our sustenance and for the satisfaction of the most elementary demands of comfort.

Meanwhile a difficulty, over which we can exercise no control embarrasses our action. The States by isolated action are powerless to combat it. Only the Union with their cooperation can abate, if not eliminate it. I refer to the inadequacy of the circulating medium and the precarious monetary situation.

It is perfectly true that an economical situation properly balanced is in itself a guarantee of a stable monetary situation. But it is none the less true that a young country, in spite of the vastness of its natural elements of progress (excepting of course the ridiculous hypothesis of conceiving it as isolated in the midst of surrounding civilisation) is impotent to conquer a dignified position amongst Nations if the circulating medium that regulates its transactions be represented by irrecoverable debt. Should a private person adopt such a method to circulate credit, it would be refused. Should a Company constitute by such a process its working capital, its failure would be immediate. And if Governments have been able to make use of it, it is only

because they have assumed the right of forcing their inconceivable promissory notes into circulation. With such an abuse of authority the republican régime cannot sympathise.

The Constitution of 24th February, moreover, certainly abolished it.

The fundamental intention in conferring on the Union the exclusive right of controlling the circulating medium admits of the single interpretation of the notes being convertible and the mobilisation of credit by means of fiduciary agents representative of real value.

The unwise direction given to the Country's interests in this respect was antecedent to the Republic. Even then the Nation was suffering from its evil influence, and uneasiness was already too palpable for the Constituent Assembly to overlook.

The cabinet of 10th March, the penultimate of Imperial parliamentarism, provided regulations for law No. 3,403 of 28th November 1888; and, whilst regulating the conditions of banking emissions, adopted the dual method of guarantee by apolices (bonds) and gold. For many years previous the Country had gradually raised its credit to a brilliant position and realized a relatively satisfactory state for its paper money. The cabinet of 7th June, that witnessed the fall of the Monarchy, took advantage of this and hastened to assure the financial world that Brazil desired and was able to definitely free itself from its peridious circulating medium, which uninterrupted efforts had at length succeeded in restricting to proportions not in excess of the annual revenue of the Empire.

Although scenic effects were not wanting for the execution of the Government's plans, effects that scarcely veiled the tardy intentions of attributing to the expiring dynasty the credit of results that National vitality alone could have attained, it is certain that the Republic broke precipitately the sequence of National effort in virtue of which we should and might to day be, otherwise, enjoying an easy and secure economical position.

It was alleged to be indispensable, but without proof other than the imperious will of a Government, against which all discordant opinions were impotent. The printing presses of the Banks were set to work, and never ceased producing inconvertible money until the abuse encountered its term in the fatal limitation of credit.

But then the evil was already consummated; the depreciation of the currency, reflected in business, disorganised the economy of the Country, real industries became stagnant, sound money drained away, and indecision as regards practical undertakings of any kind, the aggravation of deficits through loss by exchange, the nervous unrest in face of disappointed hopes, the imminent ruin of already restricted if not suspended credit, discouragement and loss of confidence that struggled with the little energy that still survived the devastation worked by paper money on the savings and reserves of the Nation, were its inevitable consequences.

Such was the situation at the time of the Constituent Assembly, in which more than once was echoed a warning to adopt at once the only means of detaining the depreciation of the currency.

It was necessary to cancel the right of the regional banks to emit more notes. But this was done too late, when emissions had already been enormously augmented. It was requisite that together with the transfer of responsibility for the issues of the Banks, all their claims to values deposited by them in guarantee should revert to the Treasury. In fact, during the first session of the National Congress there were many indications of a disposition to utilise these deposits with the object of raising the value of the circulating medium and make the Nation responsible for it.

This was only effected during the last period of the late Government, after almost all the guaranteeing deposits had been already consumed. The final result is this; almost eight hundred thousand contos of inconvertible paper money, of which more than five hundred thousand added to the thousands existing before the Republic, represent the price paid for the initial and subsequent errors of the republican administration with regard to the circulation. To be precise the total for which the Treasury is responsible is 755,000,000\$, 184,000,000\$ in round numbers being inherited from the former régime, 256,000,000\$ represent new State emissions and 315,000,000\$ emissions poured out by the Banks up to the very moment when the right to emit was withdrawn. All this in only nine years!

It is scarcely necessary to call to mind the fact that all inconvertible paper money is born with the curse of depreciation. Past experience proves it but too well. In spite of all, inexperienced judgement gave way before the seduction of a system founded on this corrosive element so destructive of National wealth — inconvertible paper money!

The Treasury could not, it is true, emit more paper money, that would be bad enough, but, what was worse, the right to manufacture paper-money was only transferred to the Regional Banks which were positively authorised to emit with the only obligation of conversion after exchange had been maintained at par for a whole year!

Launched on such a course, hallucinated by the mirage of rapid fortunes and stupefied by the flutter of paper money seeking employment of whatever kind, we lent money abroad, bought banks, founded companies by wholesale with enormous capital; we imported immense quantities of materials and drank our fill of illusive hopes so soon to be swept away by the inevitable consequences of our own folly and precipitation.

For payment of interest, materials, companies and Banks we were obliged to acquire real money or its equivalent, as also

all those who, alarmed by the superabundance of paper money, hurried to place their capital abroad in safety. Hence a conjunction of powerful and perfectly natural causes that acting upon the rate of exchange determined its successive and ever increasing depression.

The financial situation that preceded the Republic, when private capital amounting to more than three hundred thousand contos was employed in companies and foreign capital picked out our industries for investment, was solid, however defective it may have been in other respects. This situation was precipitately and radically transformed and the transformation, fitly reflected in the production of the Country, exaggerated still more the disequilibrium of the Country's foreign payments.

When the right of managing their own affairs, conceded to the Provinces by the Constitution of the Republic, was at length acknowledged, the Country was already suffering from the baneful influence of paper money.

What opportunity the States could enjoy under such circumstances to realise the fundamental constitution of their economic forces, even when stimulated by the extraordinary expansion of production, is easy to comprehend. It is true that by Art. 9 of the Constitution of 24th February, abundant sources of revenue were assured for their respective administrations, a circumstance that from the first, with rare exception, excited fiscal avarice.

Meanwhile, side by side with the fundamental disposition that conceded what legitimate local interests always claimed as a right even in the time of the Empire, the Union, pressed by circumstances, forced upon the States its depreciated currency that to this day prevents them from presenting to foreign Capital the guarantees of stability and security indispensable for its employment amongst us.

Dr. Campos Salles could not but allude to the precarious state of National finances and the injurious reaction inseparable from economic reconstruction, a desideratum which H. E. asserts to principally depend upon the administrative activity of the different States in the vast field of action reserved to them by the Constitution. And even had H. E. done so without clearly pointing out that local administration has been up to now embarrassed by circumstances, it would be impossible to imagine that he could hold any other opinion.

The native State of the President (S. Paulo), the one, perhaps, that more than any other contributed to the belief that the paper money system of the Republic was advantageous to Agriculture and National production, is already paying a heavy penalty in the difficulty it has encountered in finding the capital indispensable for the great work of economical rehabilitation. H. E. observed for himself the timorous attitude of the European markets, to which we must look and where we should unquestionably find the resources necessary for the end in view, were they not alarmed at the prospects of being unable to realize their capital again in specie when once in contact with depreciated currency.

Whilst the Union perturbs the usefulness of the States by imposing a system of forced, depreciated and unstable currency as the circulating medium of the Country, it is clear that it can have no right to appeal to them for the restoration of economical equilibrium, glad as they would be too to undertake it were they not impeded by the damaged credit of the Union itself. This explains the cross-fire of sterile recrimination between the Union and different States that, however, must be put a stop to by the adoption of a "practical and prolific policy" that will establish real community of interests between them.

This guiding policy of the Federal Government is in reality that to which all the States and specially Pará, aspire. Its immediate execution is imposed by circumstances and the state of the foreign credit of the Country. It is imposed, moreover, by the imminent shrinkage of the Federal revenues, chiefly derived from taxation of imports, as well as by renewed depreciation of exchange, always possible with such a circulating medium.

It is an honour to Pará to have long ago proclaimed its intention in sparing no sacrifice towards the consolidation of National credit.

The State has already put aside from its revenue a substantial subsidy that is at the disposal of the Union. It is not a very great sum, but sufficient to show that promises are confirmed by deeds. It is to myself that the honour of this initiative belongs, as also of being the originator of the idea that all the States should with the Union collectively undertake the responsibility of maintaining National credit, sullied by the unhappy circulating medium that brings discredit and injury on the good name of Brazilian administration in the eyes of the world.

In my last message I said: —

"A mortal, but not intemperate, blow is what is wanted, to destroy this abnormal situation, in which the National vitality is impoverished by a virus that day by day contaminates it more and more. To-day it is the Union that, overcome by ever growing embarrassments, struggles so painfully, increasing taxation in the vain attempt to maintain the equilibrium of revenue that the fall of exchange destroys again in its turn; and States with relatively prosperous finances and high-priced production, such as Pará, that, victims of the deplorable circulating medium imposed by the Union, are unable to offer to Capital the indispensable security and guarantee; and to-morrow it will be the Union and States together, all impoverished, that will appeal in vain to radical and healthy methods that they did not know how to apply in time."

In such terms did I then reveal the alarm with which I regarded the occurrences directly preceding the suspension in specie of the service of the foreign debt.

These events are clearly summed up in the message of the Ex-President of the Republic in which he communicated the conditions of the funding arrangement of 15th June. After having referred to the conjunction of causes that determined the "permanent crisis" of the finances of the Republic throughout the period of his Government, H. E. relates how the hopes founded on the measures adopted by Congress in 1896 miscarried.

"Whilst this solution was awaited, he relates, Government could entertain, as I showed Congress this year, no measures other than those already approved by Congress in 1896, constituting an accepted plan already in course of execution, unless it were to indicate the means by which revenue might be augmented and expenditure diminished.

Further on he continued:

When all hopes of leasing the railways were lost the situation radically changed and, its chief prop being withdrawn, necessarily became unstable and unsustainable.

I then, in September, called a meeting of the committee of the two chambers and other notabilities to explain to them the difficulties of the situation and the failure of the measures voted by Congress to improve it, at the same time suggesting the idea of asking the Country for the resources necessary to continue to meet our obligations through the medium of an immediate contribution, such a transitary impost being less burdensome even than indirect taxation and infinitely less so than low exchange.

Congress in the Budget law for the current year voted part only of what I asked, so financial difficulties were not lessened. The terrible events of 5th November proved at last the only so long preparing. Government, conscious of the disaster that a barbarous attempt must work in the opinion of the civilized world, at the expense of sacrifices, that only these will be able to appreciate, who comprehend the immense responsibility of rulers, did all in its power to reduce expenditure abroad, convinced, as I said to Congress, that the very acuteness of the crisis announced its end, and that the energies it was sure to awaken would prevent its cure. And so it was. Embarrassments reached their limit. The price of coffee fell and reduced the supply of bills of exchange. Exchange fell to 5/12d. Abroad our bonds (1896) were quoted at 11, and the month of July approached in which heavy payments must be made there.

Urged by such circumstances it was that Government, as a last resource and under the most powerful apprehensions, succeeded in celebrating the financial arrangement of 15th June, the text of which was inserted in the preamble accompanying the estimates for the coming year and presented to Congress by the Minister of Finance on 30th July of the current year. (1898.)

In virtue of this arrangement, which comprises all our foreign loans as well as the internal loan of 1899 and the interest guaranteed to railways, all sinking funds were suspended for the period of thirteen years as well as the interest on the debt and service of guarantees for the period of the 9 years commencing from 1st July last. From that date interest will be paid in bills bearing 5% interest instead of in cash. The equivalent in gold of the interest on the debt and of the guarantees will from the 1st January next be deposited, at the rate of 143 to the milrã, in paper money and reserved for the redemption of paper money or, should exchange improve, for purchase of bills of exchange on London intended to constitute a gold reserve for the renewal of specie payments abroad. The new bonds will be redeemed in 63 years by means of a sinking fund of 12% to commence in 1911.

The advantages of the agreement, to which you contributed with your approval are evident. By the reduction of remittances of gold to moderate proportions for a considerable time, the authorities will be enabled to make preparation for a definite solution of the financial crisis.

The beneficial influence of the operation was immediately felt all over the Republic in a renewal of confidence and rise of exchange as well as of our credit abroad. The exceptional manifestation of the representatives of the great commercial and industrial classes in favour of the financial agreement proved that the Government, beset by difficulties that appeared insuperable did not treat in vain in the vigour of the Country or the patriotism and abilities of its auxiliaries.

In his turn, Dr. Campos Salles, who clearly observed in the agreement of 15th June the key to a solution of the financial crisis, did all in his power to forward and assist it, as he announced, in the following extract from his inaugural address: —

"In a document which has been widely circulated I have pledged the responsibility of my Government to the faithful execution of the funding agreement celebrated in London. But beyond my responsibility I pledged the honour of the Country as if the situation demands definite measures."

In reality the ideas of these two eminent dignitaries agree in exposing to the Nation at large the imperious circumstances that determined that combination, which they rightly regarded as only an expedient to enable the authorities to prepare the supplementary elements necessary for a final solution of the problem.

The most important of these elements, if the preponderating factor can indeed be termed supplementary, must be the valorisation of the circulating medium, whether by means of calling in paper money to the amount indicated in the funding agreement, or by other methods of redemption such as the constitution of a fund in guarantee of our fiduciary issues.

Another complementary measure is the computation of National expenditure and estimate of customs receipts on the basis of 27d per 1000 the fundamental unit that is in reality the basis of every liquidation defining profits or losses, in spite of the mistaken motives so common amongst us with regard to the elementary.

Such a measure would bring about greater precision and straightforwardness in the Administration and would enable us to appreciate better our real resources, and stimulate us to increase them.

Citing one only of the innumerable illustrations, we extract the following table (1) from Dr. Bernardino de Campos' interesting report:—

The following are the figures representing the comparative National revenue and Expenditure in 1889 and 1895 respectively:—

	REVENUE	
	Currency	Sterling
1889	160,840,297\$138	18,094,535
1895	307,689,085\$151	14,102,416
In 1895	+ 146,848,788\$13	- 3,992,419
	EXPENDITURE	
	Currency	Sterling
1889	186,163,459\$866	20,913,616
1895	314,882,350\$951	15,897,113
In 1895	+ 128,718,890\$185	- 5,136,503

Reduced to gold, revenue showed a decrease of 2% and Expenditure of 21.5% in 1895; while measured in currency, both were much greater, the first 91.2% and the latter 85.3%; this well illustrates the depressive influence of the fall of exchange.

The immediate consequence of the estimates being appraised on a gold basis would be the determination of Customs tariffs on a similar fixed basis, and would furnish an excellent opportunity for the respective authorities to revise the tariff in such a manner as to stimulate local production without injury to consumers.

As in this case only the amount of paper money and not the rates would vary with the oscillation of exchange, the Treasury would be always in a condition to meet its foreign engagements in specie, especially were another complementary measure simultaneously adopted permitting the different States to recover in specie if not all, at any rate part of their revenue derived from exports to foreign Countries.

If it be indispensable to obtain gold by means of fiscal imposition, it seems more convenient to entrust it to the different States which possess a class of taxpayers able to pay in specie, rather than to exact gold from importers who liquidate purchases in specie in foreign markets and sales, here, in paper money.

It is well known that a considerable part of the cost of the foreign commodities we consume results from the invariable habit of importers of raising prices so as to cover any possibility of loss by exchange. The recovery of duties on imports in gold exaggerates that tendency to the prejudice of consumers.

The producer of exportable commodities, on the contrary, has it always in his power to recover in real money the value of his products.

The London agreement, forced on us by circumstances, did not, fortunately, restrain us from trying to improve foreign credit whenever circumstances permitted.

At bottom, the funding arrangement is a simple moratorium; a loan made in instalments spread over a long period, backed up by preferential guarantees so important, as to not only secure its superiority but even to depreciate to a certain extent other kinds of bonds that do not enjoy similar advantages.

Its drawbacks are evident and only absolute necessity can justify the determination to carry it out at all cost.

The President of the Republic was right when he said that "his Government did not trust in vain to the patriotism of the Country".

(1) Comparison of Revenue and Expenditure showing the following deficits

Fiscal Years	Revenue	Expenditure	Difference
1889	160,840,297\$138	186,163,459\$866	25,323,162\$428
1890	198,251,476\$164	220,615,371\$457	22,363,895\$291
1891	228,945,078\$215	229,572,461\$84	8,627,383\$31
1892	227,608,209\$211	279,280,534\$886	51,672,325\$475
1893	259,350,981\$251	290,028,047\$839	30,677,066\$888
1894	264,135,212\$258	364,580,264\$866	100,445,052\$418
1895	307,689,085\$151	344,582,350\$951	37,193,262\$707
1896	311,966,097\$273	389,257,990\$524	55,798,893\$451
1897	270,997,078\$274	115,444,905\$408	44,447,297\$734

Reducing the above to gold, the indicator of our purchasing power, at the respective exchange and neglecting fractions the following result is obtained.

Fiscal Years	Exchange	Revenue	Expenditure	Difference
1889	27	£ 18,094,535	£ 20,913,616	£ 2,819,081
1890	26	21,152,452	23,093,393	2,940,941
1891	21	20,032,694	19,301,841	730,853
1892	16	15,173,872	18,618,702	3,444,830
1893	13	14,075,325	15,709,852	1,634,527
1894	13	14,318,699	19,746,364	5,427,665
1895	11	14,102,416	15,897,113	1,794,697
1896	10	13,915,379	16,240,319	2,324,950
1897	9	10,162,410	11,828,050	1,665,640

But, if simultaneously with the complementary measures to which I have alluded, the Chief Magistrate would prepare the way for the realisation of others calculated to guarantee the equitable cooperation of all the States in the realisation of financial solidarity, not only would H. E. do them an inestimable service in thus securing the practical advantages inherent to the federal system, but by the restoration of our credit abroad would reopen to us European money markets, at present closed to the States and to Industry and, to an unjustifiable degree, to Commerce also. An appeal to the States has every probability of success. Some of them such as S. Paulo and Minas etc., that have foreign obligations of their own, would be the first to give the preference to an arrangement aiming at the restoration of federal finances, because their own would be immensely benefited by the extinction of the incalculable loss imposed by low rates of exchange. Other States, which are in a majority, tired of wasting efforts in searching for Capital in foreign markets would, in their turn, find ample compensation for temporary sacrifices in the better treatment that would be then afforded them. One single and common interest would make them all gravitate towards the same object — the raising and reconstitution of the credit of the Country.

It would, moreover, be unreasonable to distrust the patriotism of a people that in defense of National honor for five long years spared neither its blood nor pecuniary sacrifices to the amount of more than six hundred thousand contos of reis.*

It will be unjustifiable to admit that the Nation that freed almost a million slaves without condition or compensation was incapable of again making sacrifices for the revival of its own credit.

Last year, alluding to the financial crisis of the Union, I pointed out to the members of this Congress, my conviction of the advantage of negotiating a foreign loan to be guaranteed by all the States as well as by any special guarantees that the Union might simultaneously proffer.

At the same time I briefly indicated the necessity of that operation being accompanied or preceded by another and internal loan intended to consolidate the floating debt represented by the paper money of the Union. This should, I maintained, be carried out, gradually and with judgment, by the simple exchange of bonds for notes, at that time depreciated nearly 80%, taking as basis the nominal value inscribed upon them.

As early as 1846, the Legislature, understanding that the superabundance of inconvertible currency must determine a corresponding depreciation, authorised the Government in art 2 to contract a loan with the object of withdrawing from circulation the quantity of paper money requisite to raise exchange to 27d per mil reis and maintain it there. My proposal, was, therefore, nothing new, and maintaining now the same opinions as regards its opportuneness, I do so only in obedience to the urgent demands of the situation.

Simultaneously with the substitution referred to, the withdrawal of part of the paper money might be effected by a cautious issue of lottery bonds redeemable by drawings once or twice a year.

As regards the foreign loan, were it possible to revise the London arrangement, it might be negotiated for £ 10,000,000 and applied in part to the conversion of the 1868 and 1889 internal loans and the balance, £ 6,000,000, to payment of the most urgent of the Treasury's debts or to a fund intended to serve as guarantee of the currency.

To this last object the gold bonds of the 1889 internal emission held by the Treasury to the value of more than £ 10,000,000, acquired by purchase or from the extinct Banks of emission, should be likewise applied.

The above figures are obviously intended merely for illustration.

No doubt, therefore, the funding arrangement might be modified. It being, in my opinion, unquestionable that the Union and States together possess sufficient resources for an operation of this character, solidly reinforced by guarantees such as have been given for the funding loan. In any case it would be unpardonable imprudence not to supplement this dual operation — the internal one of raising the value of the currency by means of its gradual withdrawal, and the external operation of raising national credit abroad — by measures calculated to obviate possible perturbations of the money market, should such arise in consequence of the methodical and uninterrupted withdrawal of currency.

The Bank of the Republic seems best adapted to carry out such a scheme, whether on account of its intimate relations with the Treasury or in view of the valorisation of its immense assets, that a reaction in any branch of the National economy and the revival of public credit would originate. That this Bank could be organised in such a manner as to be able to lend real assistance to the improvement of the fiduciary circulation of the country I am fully convinced.

I do not pretend that it is to the States that the obligation of adopting and applying a remedy for the financial crisis of the Union corresponds. But, to study the fundamental question is, as I said elsewhere, the duty of all, because the effects of this crisis are felt in every relation of Brazilian society.

It then Pará through its local Legislature, Congressional delegates and its important Industrial class — Production, Manufactures, Commerce and Banking alike — all lent their assistance

* Refers to the Paraguayan war.

and aid to a rational and practical solution of this most grave matter, the State would do an immense service to the Country and give at the same time a further proof that the much talked of "provincial egoism" has and will have no lodging here.

What is requisite, as the President of the Republic asserts and is generally recognised, is to relieve the Union of the administrative burdens that rightly correspond to the different States.

Pará cannot remain deaf to an appeal that is in reality but an echo of its own well known sentiments.

With your leave, I, therefore, suggest that a more precise application of the annual subsidy patriotically voted in aid of the National Treasury should be specified. It would be more advantageous, I believe, to apply it at once in aid of the local expenditure of the Union, commencing with the sum corresponding to the current fiscal year. As soon as I receive the necessary authorisation I shall proceed to employ it in the manner most convenient to the interests of the State and of the Union, in agreement with the Federal authorities.

The President of the Republic, in execution of his ideas as regards the transfer of obligations constitutionally belonging to the States, will probably take measures to ensure their realisation.

It is, therefore, necessary that you should put me into a position to meet H. E.'s views when occasion arise. The importance of the President's suggestion will not have escaped your penetration.

A partisan of the Federal principle, which he always inculcated and desires to uphold, H. E. accepts the discrimination of revenue as actually practised and defined by the Constitution, and is trying to arrive at the system that the Nation elected to follow and with its aid to maintain above everything the political union of the Country, with the separate administrations of the States, in such a manner that the interests of the latter shall, without, be subordinate to the supreme interests of which the Union is the only and indispensable guardian.

Amongst such supreme interests you will allow me to specify those that refer to National Defence. Evidently, except for the financial crisis, no excuse could be found for the manner in which we exhibit ourselves to the World as a Nation careless of self-defence and of military organisation.

The military classes, of whose disinterestedness the Country has had ample proof, have more than once, through their official and technical organs, insisted on the precarious situation of the country's forces should they be called into action.

As regards the Navy, the *Jornal do Commercio* of Rio, of 30th October last year, published an article from the pen of a distinguished officer, in which a series of measures were proposed, feasible in spite of the strict economy that the situation of the Treasury obliges us to observe. From a technical and administrative point of view the publication, no doubt, has been properly appreciated and if I refer to it, it is merely to impress on your attention the necessity of aiding the Federal Treasury in such a manner as to ensure sufficient resources, in the course of a year or so, for the addition of at least one more vessel to our diminished navy.

As regards its land forces, employed here for garrison service, a moderate subsidy, to the Federal Government, would not be beyond our resources.

As regards the various services of federal character, or rather those executed under the superintendence of the Union, but which correspond and should pass to the State with all their onus and advantages, I would recommend the consideration of the possibility of the inland postal and telegraphic services being included, which by their nature will accompany the development of each separate district even should expenditure not be always covered by Revenue. In principle there can be little doubt that the State authorities are better situated to superintend such services than the Union in their own circumscription.

Should such a practice be adopted, not only in Pará but in all the States of the Republic, it is possible that such decentralisation might prove extremely advantageous, whilst the Federal Government would retain the key of the situation in the principal direct postal and telegraphic lines of communication that unite the Federal Capital to the different State Capitals, including, of course, intermediate stations. Another important service would be rendered by this State to the Union by taking charge of the port works at Belem, even if it were necessary to give its direct guarantee for the requisite capital in exchange for whatever advantage might be conceded by Congress. This undertaking is the most urgent of all.

As regards the Customs and Health service of the Port, the State can likewise lend great assistance, the necessity of a lazareto at Tatuoca island being urgent.

From the very commencement of my Government I declared that, in my opinion, the political question is comprehended in the financial crisis of the Union, as will be proved when some future and unprejudiced historian review the events of the day, however obscure they may appear at present.

Even now this opinion is supported by thinkers of all kinds, who in parliament and the press incessantly clamour for the elimination of the poisonous germ already inoculated in our currency at the very birth of the Republic, so unjustly blamed for its effects.

Overlooking the errors of the past, the real cause of our present situation, we search everywhere for explanations of our misfortunes and for the causes that prevent us from successfully combating them and put the blame on the Republic Constitution of 24 February.

A fundamental law doubtless exists which must be obeyed and forbids the use of those measures that worked so much ill in the past. But, it must be admitted, that the evils that preceded this law could not originate in the law itself, in which are to be found the indispensable and organic elements for the reorganisation of National Finance. To reopen the problem of federation, on the pretext that such is the only alternative to avoid disintegration, is but the suggestion of an exaggerated pessimism that gravitates towards that centralisation which the Nation abolished once for all.

To aim at reopening this question, that may be modified without being destroyed, is a waste of talent and energy. To pretend that thus alone can the breaches in our economy be repaired and that in revision alone can be found the preliminary conditions of financial reform exceeds all the limits of program or necessary reflection.

Why invert the terms of the problem? If it be true that, in the division effected by the Constitution of 24th February, the resources necessary for the independent existence of the States were not niggardly distributed, it is none the less true that to the Union were apportioned resources amply sufficient to meet all its obligations except for the imprudence with which they after did it allowed the monetary crisis to grow unchecked. The Constitutional Assembly did what it could and what it ought. The distribution of revenue determined on was imposed by two circumstances. First, by the conditions of the moment. And, secondly, because the adequate development of the Country's productive forces advised it.

It was necessary to choose amongst existing sources of revenue, not to improvise new ones. It was necessary to provide the National and State Treasuries with resources out of revenues already in existence, even should others of relatively less importance be created.

Reduced to such limits the question was decided by articles 7, 9, 10, 11, and 12, which left to the Union the exclusive right to levy duties on imports, and to the States those on exports.

If in place of so simple a discrimination a promiscuous partnership had been admitted in imports or exports, a certain and dangerous friction must have been the result.

It is a fact that exports in a way regulate imports, and that if the States failed to export there could be no imports or revenue for the Union. But such an hypothesis is absurd. Besides, if Customs duties do in fact constitute the principal source of revenue, the Union still preserves the right of a claim on other sources the revenue that it requires.

Indeed it would be fortunate if, when revenue from imports fell off, it should prove to be the consequence of the substitution of home for foreign production.

Clearly, if we have not yet entered on such a course, it is because the depreciation of the currency has hitherto prevented the States from exercising their constitutional functions and reducing the economical emancipation of the Country.

It should be added that the state of production has been so precarious and the necessity of importing even the common requirements of life so imperative, that not one of the States has yet attempted to put into practice measures authorized by paragraph 3 Art. 9 of the Constitution, by which foreign produce that comes into competition with similar local produce is liable to taxation by the authorities of the respective States. And, moreover, not a single State can yet undertake preparations to free its exports from taxation. Here in Pará, it is clear that, unless rubber had been able to support, without much harm, the heavy burden of taxation, cocoa, for example, would not to day enjoy that advantage.

The revenue derived by the States from exports is of a transitory character, not absolutely prohibited by Constitutional legislation only because, at the time, no substitute could be found.

To revise the Constitution in the part referring to the distribution of revenue does not seem to be called for at present. What is urgently required is a law confirming and interpreting the text of the Constitution, with regard to the right to levy certain custom taxes. In this respect the doctrine maintained by the Supreme Federal Tribunal in its decision of 15th February 1897, published in the report of the Minister of Finance for this year (p. 33) is evidently correct; what is really astonishing is that the right of any State to tax its own exports to other States of the Union could be called in question!

The proper course as regards taxation of commodities imported from other parts of the Union is, on the other hand, far from clear. Whether one State may tax imports from other States is yet a matter for discussion.

The Constitution did not expressly specify any particular exemption for this kind of merchandise; nor did Art. 11 No. 1 nor Art. 34 No. 25 nor yet Art. 7 No. 42 of the Constitution, on which those who dispute this right chiefly rely, repudiate such taxation already practised in the time of the Empire.

In its literal sense the text does not mention imports from other States. And if the spirit of the Constituent Assembly with its guarantees of ample protection and endowment to the recently

created States be considered, it is improbable that there was any intention to deprive them of resources that they already enjoyed as provinces in spite of the platonic protests of the Central Government.

Subtle interpretations apart, it does not seem to me that taxation of imports from other States falls at all within the comprehension of No. 2 Art. 7, because not only do these articles refer exclusively to the jurisdiction of the Union but its dispositions alone regulate it, and the second part of the phrase is but the complement of the first.

Art. 11 No. 1 also appealed to, refers only to transit taxes, which it forbids.

Finally, only by a stretch of imagination can any condemnation of such imposts be discovered in Art. 34 No. 5, that concedes to Congress, generally, the necessary powers to prevent impediments to Commerce between different States.

The very Constitution, by admitting commercial agreements between States, shows how different the real interpretation must be.

In this case I presume the matter to be ruled by Art. 65 No. 2, which concedes to the State powers and rights of every kind not positively refused in some specific clauses, or implicitly included in the clauses of the Constitution, as also Art. 12 which stipulates that it is permissible to the Union and also to the States, separately or cumulatively to create any other sources of revenue not in contravention with articles 7, 9 and 11 of No. 1.

The text of paragraph 2 Art. 9, moreover, supports the thesis, that in my opinion is confirmed by the Constitution, that even if it be prohibited to one State to tax the products imported from others there is certainly nothing to prevent any State from imposing equivalent internal or excise dues on such produce. Even by American law the States are allowed to tax imports from other States when once incorporated into, local stocks: whereas in the United States the right of imposing interstate import or export duties is strictly forbidden.

If I insist on this point, it is not so much because of the effect that decisions of the Supreme Federal Tribunal exercise on our revenues by abrogating our claims to so-called "landing dues". It is true that within certain limits it is advisable to convert Pará into a free market, because its geographical situation marks it out as the entrepôt for all the trade of the Amazon valley. But, notwithstanding, there are some industries dependent on a precarious agriculture that would absolutely perish should the doctrines maintained by the Supreme Federal Tribunal prevail and the protection now afforded by the differential treatment of the State disappear.

You are aware that the judicial power has not authority to annul laws. All it can do, in case of collision between their text with that of the Constitution, is to put the latter into execution. Laws can only be annulled by the power that created them. It, therefore, behoves you to study this question and decide whether it is convenient to maintain the text of the law and provoke another trial, or generalising the doctrine of the decision, to revoke entirely these protective imposts.

In case you determine on the latter, as the right to tax imported commodities cannot be disputed when once they are incorporated into the State's stock; you will be able to discover other means of protecting desiring industries dependent upon our nascent agriculture, and making them grow and prosper.

In any case it is prudent, if you should maintain these dues, to subject them to a thorough revision in the sense of suppressing entirely such as have no fair claim to protection or are unrelated to those agricultural interests the welfare of which is so serious a preoccupation to the State.

In the manifest of the Ex-President of the Republic, to which I have referred, will be found the following interesting summary under the heading « Relations with the State ».

Political occurrences of a different character, but also of grave importance were enacted in Sergipe in consequence of the duality of the Chambers and the Executive; in Pernambuco with regard to the scrutiny of the elections to the Senate; and in Bahia from the duality of its Legislative Chambers. I abstained entirely from intervention in these matters believing that these cases did not fall under the exceptional instance, stipulated by the Constitution, authorising the intervention of the Federal Government in the private concerns of the different States. The gravity of such events, however, as I pointed out to Congress in 1896, demands that a law regulating the solution of collisions so prejudicial to the affairs of the States, should be urgently undertaken.

Such collisions were not unknown even in the time of the late Empire. Their reproduction under the federal system was not, however, provided for by the legislation of the Constituent assembly, an omission that is justified or explained to a certain degree by the optimistic tendencies of opinion that expected such incidents to be eliminated by the prudence of local legislatures. This opinion I myself participated in to a high degree, in view not only of the facts described by the Ex-President, but of others equally worthy of attention, all of which point out the necessity of a transaction by which party disputes shall find their solution in a regular and edifying manner.

The advice of Dr. Prudente de Moraes, unquestionably, deserves the careful and efficient examination of the matter by Congress, especially when a solution on such a basis as the following is not by any means difficult.

1st. Submission of such questions to the decision of the Supreme Federal Tribunal to be given within a short fixed period.

2nd. Superintendence of the State administration by the Federal authorities during the interval.

Recourse to the Supreme Tribunal is equivalent to granting that important judicial corporation the right of arbitration it so well merits. The intervention of the Federal Authorities in even this restricted

form is unquestionably a disagreeable necessity, to avoid which no efforts should be spared to State authorities to correct the impatience that alone can give rise to incidents of this kind, so offensive to their dignity.

Besides, without the guarantee of an appeal to some higher tribunal, the very best elements of opinion may be crushed under the pressure of irregular or materially triumphant factions in States where the elimination of this mortifying duality of dominating and proscribed parties is an urgent necessity.

This is a desideratum so morally and practically important, that I do not hesitate to affirm, that it should be realised even at the risk of offending susceptibilities.

Further on the President remarks :

« It is also urgently required that the conditions of Art. 6 of the Constitution should be reduced to regulations in such a manner as to not only clearly interpret the Constitution, but to determine, in a practical manner, that of carrying out federal intervention in such cases in which it is permitted. Such laws would, doubtlessly, powerfully contribute towards the regular working of the federal system.»

Later on he adds :

« Later occurrences, some of which still occupy the attention of the Government, confirm these indications. Rights are always better guaranteed when clearly defined by laws than when left to the judgment, however sound, of Governments.»

In a political manifest, largely distributed, in which I treated of the important subject referred to in the above quotations, I gave my opinion, which you will now allow me to repeat.

Meanwhile if Art. 6, that has awakened such divergent opinions, be examined, it is not difficult to comprehend that the autonomy of the States could not deprive the Union of its essential mission as the preeminently regulating power.

In this respect the statutes of 24th February cannot be accused of insufficiency and if, unfortunately, it is not difficult to discover in the history of the Republic examples of unhappy applications of Art. 6, I believe that all necessity of interpreting or regulating it would cease if the Federal authorities would but put it into execution with the firm intention of never interfering in the intricate affairs of the States as allies of one or another party.

Following this rule of conduct the Federal Government would thus never grow lukewarm and would listen to the impassioned entreaties of contending parties; and local questions originating perversion of the federal system could never remain long without solution.

At the same time the conception is being generalised that Government is really the beneficent power that, availing itself of the sovereign attributes wisely conferred upon it by the Constitution, puts a stop to any internal commotions that may eventually break out in the States and superintends the effective carrying out of the Federal institutions throughout the Republic.

However halting public opinion may be on the matter, the ideas of those who aspire to transform the principle of State autonomy into a capricious hostility towards the Union and make it a ground for rebellion against its authority can never be approved by good sense or judgment. That would be but to weaken the bonds of Brazilian fraternity, the most stable foundation of the Country's unity, and create at the same time an atmosphere that would menace the principle of federation itself.

It was, however, the very antithesis of such a spirit, that in reality inspired the labours of the Constitutional Assembly, as an analysis of its work abundantly proves.

The true conception of federal principles can never be forgotten so long as the equilibrium of relations between the States and the Union, as defined in the Constitution, be properly maintained. Therein intervention will be found to be clearly defined as an accessory recourse, to be determined exclusively by Congress, which alone is competent to decide the means of putting it into execution after due consideration of the facts and the possibility of the disturbance becoming so serious and widespread as to exact the interference of the three Estates of the Federal Government.

By limiting to the Legislature all initiative as regards intervention, the Constituent Assembly intended to safeguard the autonomy of the States, in accordance with federal principles, against undue encroachments on the part of the Federal Executive.

For similar reasons it submitted to the ultimate judgment of the Legislature all acts of the Executive in case of its being called upon to exercise intervention whilst Congress was not sitting.

Referring to the annals of the memorable assembly of 1890, their evidence may be summarised as follows :

To ensure greater method a draft Constitution elaborated by the Provisional Government was presented to the Constituent Assembly. This draft had been previously submitted to a commission of 21 members, representatives of the different States, that introduced amendments and additions. Such is the origin of the stipulations of No. 3 of Art. 6 to be found at the end of No. 15 of Art. 48. The project of the Provisional Government established, as does the actual Constitution, that the Executive could only decide upon intervention as provided in Art. 6 when Congress was not sitting. It did so, however, in terms that may be interpreted as intending to maintain the doctrine that it is obligatory on the Union not only to lend its aid to the authorities of any State at their petition, but that, in the case of intestine disturbances, it is even forced to take an active and belligerent part with the constituted authorities. The real object of this clause was to avoid such a danger; and, on the contrary, to assert the principle that intervention on the part of the Union in such a case could be exercised only by declaration of the state of siege.

In favour of this conception it is added that the possibility of the declaration of a state of siege, that would take administration temporarily out of the hands of local authorities, would make them more cautious and that, when forced to act with decision, they would

consequently be careful not to employ violence or provoke resistance. In fact, the defenders of this doctrine continue, local authorities being self governing entities, absolutely independent of the Federal power that neither nominates nor has any right to meddle in their constitution, can draw their authority and prestige only from the public opinion of the State they administer. Consequently, when, with the object of protecting local government against subversive attacks, the Constitution made intervention obligatory, thus putting the case on a similar footing to a foreign invasion or the obligation of enforcing federal law, it could have intended only to establish the principle that the federal authorities in such an emergency are obliged to observe the restricted but elevated sphere of supreme arbiter, delegated to it, and prevent its own citizens from slaughtering each other under the cloak of autonomy or independence.

From this point of view, intervention can be but another guarantee of peace and order. The whole problem consists in discovering the course to be followed to ensure that object. But, observes Dr. Prudente de Moraes in the light of experience, "rights are ever better guaranteed when they are clearly defined by law than when left to depend on the judgment of Government, however sincere."

The ex-President insists on the necessity of a legal interpretation of Art. 6. Opposed as I am to the policy of intervention I believe that the best means to prevent it is the codification (regulamentação) that the ex-President demands, seeing that the contradictory opinions, at present ruling as regards Art. 6, prevent the Executive from interfering at all. On the other hand, with the direction of affairs confided as it is to an ardent disciple of Federal principles, I am certain that the (regulamentação) codification will, in his hands result in still further guarantees for the federal system.

In a chapter of my message last year I wrote as follows:

Whilst considering in all its different aspects Pará's share of the Amazon region and its probable development in the future, when modern, scientific and industrial processes have become more common amongst us, we must not forget the position of neighbouring States, likewise members of the same Union, allied to us by community of race, origin and history, which now more than ever should join in one common effort for the engrandizement of the Republic.

In furtherance of these ideas I believe it to be advisable to make surveys for opening communication by the rivers Tocantins, Araguaya, Xingú and Tapajós with the interior. It is of the greatest importance for the development of commerce with other States that these lines of communication should be opened. Besides, the development of our river system will open new sources of wealth, facilitate the settlement of our vast territory and stimulate our rising industries.

It is impossible to do all this at once, or with annual revenue only; not even the most wealthy countries could overcome at once all the difficulties and expense of opening canals, constructing railroads and other improvements of urgent nature. But private initiative and the spirit of association, Companies and Capital, that might be induced to undertake them, require above everything precise and reliable information as regards technical details.

Vague reports of colossal wealth lying dormant, out of reach of human skill and labour, are not enough. They want, as a basis, exact figures and details. It is, therefore, requisite that you should at once provide Government with the resources sufficient for these preliminary works and at the same time pass a law regulating the conditions to be offered to those willing to invest capital in their realisation.

It is unnecessary for me to explain in detail the advantages of the realisation of a definite plan of communications throughout the central plateau that traverses the interior of Brazil. It is sufficient to consider the political and economic effect of connecting Cuyabá with the Atlantic by an entirely National route, in order to comprehend the importance of the construction of a road from the River Tapajós to that city.

Side by side with the centripetal force that unites the different States as inseparable elements of the same fatherland, it is necessary to draw tighter their relations by more frequent commerce, and enable them to thus dispense with the necessity of importing commodities from abroad. Such an objective can only be attained by means of easy and certain communications between the States.

Suffice it at present to attend to our internal communications. The sad condition of the coasting trade in spite of all the privileges it enjoys can only be a matter of surprise. And yet the country possesses vast forests and splendid timber suitable for naval construction, especially Pará, and on the very banks of its splendid rivers. And yet no vessels are constructed here! I may venture to assert that the State of Pará would not hesitate to encourage any efficient initiative in this direction.

Passing on to consideration of affairs more strictly relating to this State, it is my first duty to pay a well merited homage to Sr. Antonio Nicoláo Monteiro Bacna, whom death has taken from us in the exercise of his office of vice-President. The honors corresponding to the elevated post he occupied were paid at his funeral. The vacancy his loss created has been filled by the election of the Judge Gentil Augusto de Moraes Bittencourt, whose inestimable services to the Republic from the early times of the propaganda are well known; as also his administrative capacity, put to the proof during the early days of the Republic.

At present he represents one of our most important social and political elements and, unless his future be an honourable and virtuous past, he cannot fail to respond to the hopes that his unopposed election shows he has inspired in his constituents.

Believing that really representative government can be only such as really endeavours to recognise the bent of public opinion, I shall endeavour, as I always have, to carry on my administration in harmony with the aspirations of the people of Pará.

I am convinced that representation conferred by public suffrage can only be properly and honourably fulfilled by maintaining throughout its duration an intimate solidarity between electors and elected.

However short that period may be, there must always be an interregnum of some kind, during which it behoves the elect to keep up the intercourse and reciprocal confidence without which there can be neither elect nor electors, but, on the one hand, disappointment and discontent, and, on the other, usurpation of a confidence unmerited and unrequited.

Could the defects inherent to the choice of representatives by popular suffrage be remedied by the adoption of direct personal responsibility? I do not believe it, and think that an attempt to realise such a system would only introduce greater discord between electors and elected. That is a matter of political morality independent of any code, that must be ruled alone by healthy customs engendered by sound opinion.

There is, however, one omission that the law can and ought to remedy. I refer, not to the vote, but to inscription of voters, that leaves the exercise of the suffrage at their discretion.

As no one can be obliged to accept election, so the exercise of the suffrage cannot be made obligatory. Either supposition would be absurd. But as regards the inscription of voters, this at any rate should be made obligatory, under penalty of a fine, for any citizen unable to prove that he cannot satisfy legal requirements as an elector. To make such proof easy is but the indispensable corollary of the measure, whilst a money fine or suspension from certain civil or political rights, or both, might be applied as penalties in case of repetition or of contempt for official notification. If that were done the mere approval of Congress would probably prove sufficient to dispense the apathy of many of our fellow citizens, whose hesitation or indifference prevent them from qualifying as electors, thus depriving society of their cooperation in the development of the State.

Electoral systems, in these times, are as I said last year, insufficient substitutes for a direct appeal to public opinion. It is, therefore, necessary to enlarge as much as possible the area of such appeals by guaranteeing to as many citizens as possible the means of freely manifesting their desires.

Referring again to the necessity of putting an end to electoral fraud and guaranteeing to all kinds of opinion a part in our representative assemblies, I quote the following extract from last year's message. The importance of the subject is indisputable, and the thorough organization of political parties in Pará the best guarantee of the sincere observance of laws regulating electoral suffrage.

It is indispensable that the representation of minorities should be secured. But how?

In my opinion, as I said last year, it will be by giving to all the different and opposing or opposite possible tendencies as many representatives as they can. By this I mean that, in my opinion, the constitutional principle of representation of minorities rests implicitly upon the fundamental principle of proportional representation, which, as a logical deduction, shall determine, in the absence of any better method, the quotient corresponding to each party in our legislative assemblies. Other circumstances, amenable of mathematical demonstration also concur to complete the subject. Amongst them, I may mention, the intrinsic value of the principles advocated by candidates, which although not sufficiently popular to constitute the programme of a majority may, notwithstanding, exercise a powerful influence on the moral and intellectual evolution of society.

To pretend that such a party should not enjoy the advantage of legislative representation, only because it does not happen to be in a majority, would be to subvert order and substitute for it the egoistic rules of party caprice; and in a word, to refuse to the representative Assembly their fundamental characteristic as a political body, so to speak, of contemporaneous political and social life.

Such, however, was the common practice during the reign of and, in consequence, it failed to perceive, even on the eve of the abolition of slavery on 13th May, that abolitionism, although on a parliamentary minority, had by mere proselytism so established itself in public opinion as to be indifferent to legislative decrees out of harmony with national aspirations. It was, therefore, unable to comprehend that the day of its fall sounded the moment that a purely party majority in 1889 presumed to represent national opinion. These two late and indigenous illustrations will call to mind innumerable other proofs of the absurdity of pretending to subordinate social development to the faculty of regulating such phenomena by artificial formulas. Very different should be the real aim of legislation, that above all should be founded on the inability of resisting natural laws. To discover the essential and unchangeable relation of these factors is the first condition to be satisfied, when attempts are made to modify them. If constitutional representation is rational, or if it be not incompatible with the natural order of things, it is indispensable to deduce from the system, processes that shall ensure the representation in elective assemblies of every kind of opinion that have acquired a sufficient number of supporters to more than equal the quotient obtained by the division of the number of electors by that of candidates in each district.

It is, however, this apparently simple problem that legislative ingenuity has in this Country failed to resolve, not because the representative system is unworkable, nor because serious thought has not been given to the subject, but simply because causality and intrigue have succeeded hitherto in legally invalidating the most honest conceptions.

I believe, however, that good results will finally attend if the *scrutin de liste* be legalized and electors of each district be allowed the right to vote for as many candidates as there be vacancies, on the condition of the candidate inscribed in the first place on the list being considered as elected as soon as the number of votes reach at least the quotient referred to above, the others being elected by simple majority. In this manner and with sufficient fiscalisation on the part of candidates themselves, the representation of minorities would be ensured and the intentions of the Constitution converted into a reality.

I look to you to express your judgment on the opinions and principles I now reiterate and that, with your usual patriotism, you will recognize their importance and dictate laws to put them into execution.

The necessity of giving to political corporations this preliminary guarantee seems to me an urgent one; the best and most equitable means of really discovering the will of the electorate.

Legal measures of this character, supplemented by the adoption of severe penalties including loss of political rights and prohibition to exercise public employments, or of even tendering for State contracts, would, I believe, normalise the electoral system as far as administrative measure can in matters of this kind.

Better political education and the persuasive example of disciplined parties would put an end to destructive and corrupting tendencies of every kind.

Consideration of this subject suggests the difficulties with which decisions as regards validity of successful elections are surrounded.

The State Constitution in Art. 59 No. 5 maintains that it is to the Municipal councils that decisions as regards the validity of the election of its own members and of that of intendents properly belong. Such an opinion, interpreted as a logical consequence of the autonomy conceded to Municipalities by the Constitution of the State, could be disastrous and give constant occasion to local tyranny to defraud and falsify the will of majorities.

Shamelessly or improperly applied this clause has been often utilised to legitimatise the existence of political groups which the fortune of the suffrage happened to have placed in power. As has already occurred in some districts, the results must be deplorable and all the more intolerable because the circle in which political passion operates is so narrow and irritation so much more easily excited.

To afford a safeguard to the oppressed by the intervention in such questions of an unbiased and higher authority, alien to local struggles and more subject to public opinion, would be a generous and beneficent initiative and a guarantee of municipal self-government. It does not seem to me that such intervention would be an attack on the principles of self-government.

Municipalities are not independent units but their affairs affect the welfare of the State and if, in certain cases, the State itself is obliged to submit to the authority of the Union, there can be no objection to the State interfering in a similar manner with the object of verifying the true state of public opinion in municipal circumscriptions and of handing over the administration to those really entitled to it.

The wise precautions provided by State legislation in cases of this kind, to ensure the real decision of the electorate, do not encroach, in the slightest, on the principles of self-government guaranteed to municipalities by the Federal Constitution, because this will continue to be exercised without restraint in all matters concerning the private affairs of municipalities. It is in this way that the doctrine is understood in the United States, our masters in the art of federal Government.

Law No. 226 of 6th July 1894 was, therefore, well inspired when by Art 71 it established appeal from the decisions of Municipal Councils in regard to the verification of the powers of their members and of intendents, without prejudice, notwithstanding, to the attributes conferred by the Constitution.

At the same time as it created this recourse it made Congress the tribunal of 2nd instance for judgment of this class of questions.

Accepting this measure entirely and believing it, indeed, to be indispensable, I think that experience will furnish valuable proofs of the advantage of investing Congress with this important attribute.

I am perfectly aware that Congress is in a dilemma; it must either reserve this function for itself and directly decide all disputes affecting municipal elections, or leave them to the Judicial authorities.

This last resource was tried during the late *régime*, but the inconvenience of intervention of provincial presidents and the Central Government in purely municipal elections having been officially recognised by law of 20th October 1870 and confirmed by the electoral reform of January 1881, all such decisions were thenceforward submitted to the *Juiz de direito*, in first instance, and *Tribunal de relação*, on appeal.

Complaints of interference in municipal affairs by judges whose mission should have kept them aloof and prevented so lamentable an error, were common then and would be now still more frequent and injurious to the prestige of judicial authority, were such

attributes to be admitted. On the other hand, the danger of confiding so important a faculty exclusively to a political tribunal, such as Congress, is equally evident, and encourages minorities who always find cause for complaint against the decisions of opponents, to accuse their decisions of partiality and party spirit.

During the abnormal political period we are now passing through, the opposition of factious majorities heedless of public opinion, the only corrective to the acts of irresponsible deliberative bodies, is likely to be frequently encountered; but even in this case the federal Constitution points out a sure and certain way of conciliating the important interests at stake.

For trial of judges of the High Court of Justice as also of the Attorney General, the Constitution has provided a special tribunal to be constituted by two senators and two judges and the President of the supreme Court. There is nothing to prevent us from creating a similar local Court for the trial of electoral questions, constituted by members from the different estates.

Following this example the tribunal might be formed by two members of Congress, one to be elected by each chamber, and two judges of the Court of appeal, the vice governor of the State as president.

As will be seen, all three estates are here represented; and if the political element be, it is true, in a majority, not only is it derived from different corporations, but impartial examination, indispensable to satisfy all parties, and the genuine expression of opinion at municipal elections to which we all aspire, will alike be guaranteed by the presence of the judges.

I can, I think, undertake that such a measure will be a safeguard against any interest being sacrificed in the settlement, by which municipal self-government will not only be protected, but a mechanism created by which the real facts involved in elections shall be sifted and municipal administration, the school for formation of citizens, be entrusted to those for whom it was really intended. I urgently recommend to your judgement and patriotism the solution of this important matter.

Education, one of the most important branches of administration, continues to occupy my best attention as it has from the first.

As I said once before, from a sincerely Republican point of view education should properly be independent of Government, and be subject only to the inspiration and methods of those who direct it. Such freedom, restrained by moral sense, would then permit the introduction of the system most adapted to our intellectual and social requirements. Government, however, is still and will, for a long time to come, be obliged to intervene in this matter, because, unhappily, but very little can yet be expected from private or collective initiative.

From this practical point of view, to which willingly or no my Government has had to submit, I recommended the following course to be followed:—

1st. In accordance with modern methods, to ground scholars in the useful sciences.

2nd. To give State assistance to private institutions.

The happy concurrence of the views of different authorities of the State on this subject has been powerfully stimulated by the assistance of private cooperation. The programme traced by my predecessors, with which you are well acquainted, is now being put into practice.

I trust in a short time to give a new and better organization to the School of 'Agriculture' and those of 'Commerce' and 'Bookkeeping'; besides these institutions, already authorised by Congress, I desire to call your attention to the advisability of taking steps for the foundation of schools for higher education. Such an undertaking in my opinion is by no means beyond the resources of the State; whilst its realization must contribute powerfully to its development by the utilization and encouragement of talents that now lie idle, unable to develop or perfect themselves. Should you approve the project, I shall next year present a complete project for the foundation of a Polytechnic school at Pará, that will benefit the whole north of the Union.

The problem of peopling the State of Pará has incessantly occupied the attention of my Government during the past year.

The disasters that periodically occur in some parts of the Republic and cause such loss and trouble have again desolated the laborious and intelligent State of Ceará.

Putting into practice the authorisation contained in law No. 583 of 21st June of 1898, we were happily able to offer our afflicted fellow countrymen a secure asylum and comforts and to attenuate, to some degree, the sufferings caused by the cruel drought to these invaluable co-labourers in the progress and development of our State.

From the beginning of 1897 I maintained the necessity of adopting a series of measures intended to fix immigrants from other States upon the soil and give them an interest in remaining. Duly approved by Congress, this project is now law and also regulates immigration from abroad. We are unable, unfortunately, to report any tendency towards emigration from other overcrowded countries to this State, where so many advantages are offered. As you are aware we are yet suffering from the consequences of the official opposition, dating from the Empire, to emigration to this Country, founded on our climate, which until lately was described as pestilential and uninhabitable. Meanwhile I trust that the methods we now employ to counteract prejudices so unfounded

and injurious to our development will ere long be crowned with success, and the sooner, if we guard the position already gained and continue to make known by the press and publications, costly though it be, the real prosperity, prospects and civilisation of our State.

The interesting work of Sr. Coudreau has in this way produced the best impression. Himself a European, he is a living protest against the erroneous opinions current as regards our climate; whilst the high opinion I have formed of the value of his services to Pará has been but lately confirmed by the testimony of the highest scientific authorities. I have already pointed out the advantage of publications and now submit to your approval a project for founding in Europe a regular service of propandea. Before the opening of the Paris exhibition in 1900 it is desirable that a "Chamber of Commerce" should be founded at Paris which shall be a centre where information of every kind shall be furnished free of charge to Merchants, Capitalists and Manufacturers, as well as a permanent exhibition of our forest, agricultural and manufacturing products.

In such a course we must never weary; whatever the sacrifices it entail, they will be, in the long run, amply repaid. How much is yet to be done before the wonderful fertility of our soil be generally known and appreciated, you well understand. An initiative for the foundation of a Chamber of Commerce in Paris will, I am certain, not fail to merit the cooperation of the commercial classes of Pará always ready to aid in the advancement of the interests of the State; and to that body I shall confidently appeal when occasion arises. The Society of Agriculture lately founded, at Pará, will likewise certainly not fail to appreciate such an opportunity, nor indeed any on whose assistance Government counts in its efforts to attract capital and labour for the advancement of the State and development of its resources.

Desiring to utilise every possible element that might contribute to the advancement and advantage of Pará, I personally visited different parts of the State and am, therefore, enabled to judge of the hopes and aspirations of their inhabitants.

A warm advocate of diversity of cultivation, I have utilized every means at my disposal for its encouragement, and think I can safely assert that elements well adapted and disposed to the application of modern agricultural methods already exist.

I observed another thing; that with due respect for municipal authority, it is absolutely requisite to draw more closely the bonds between municipalities and the State; and establish a more logical and official co-ordination between State and municipal jurisdiction.

On this subject I shall further enlarge in my budget proposal, but may be now permitted to close these remarks with a quotation from last year's message.

Municipal autonomy is now a dogma of our federal system on which it is now superfluous to enlarge. In a circular directed to the municipalities (intendencia) at the beginning of my administration I publicly admitted the importance that I as a sincere Republican attach to this principle, that it will be always the object of my government to respect and develop.

Nevertheless it must be confessed that the perverse interpretations of this principle have often led to excesses on the part of municipal authorities most prejudicial to both State and local prerogatives; irregularities, however, which would, I believe, cease were measures adopted to ensure greater supervision on the part of State authorities without effecting the decentralisation of municipal administration.

The finances of the State continue to be relatively prosperous. Revenue which for 1896/97 amounted to 15,101,000\$, increased 20,021,000\$ in 1897/98, or 4,700,000\$ in excess of the estimates. The consequent surplus permitted the Treasury to pay off the loan of 1,500,000\$ contracted with banks and private persons for settlement of debts accumulated during previous fiscal years, and to place to the credit of surveys for the drainage of the city an additional 1,000,000\$.

During the current year revenue is also increasing, and amounted on 31st December to 3,532,000\$ gold, equivalent to 12,289,000\$ in paper money, being 1,105,000\$ gold more than last year. The total revenue for the year was calculated by the Treasury at 6,144,000\$ gold or 1,000,000\$ more than the estimates; so that, supposing even that exchange should rise to an average of 8 1/2d during the second half-year as against 7 21/32 for the first, though not very probable, even then revenue appraised in paper money would exceed that of the previous years.

No difficulty whatever has resulted from the adoption of the gold basis for the budget. On the contrary, without its assistance revenue for the month of December would not have shown a surplus of 3,896,000\$.

It is true that the salaries of State employees have suffered considerable oscillations in consequence of the new system, but that can scarcely be a reason for giving it up, as private interests must always give way to those of the community. It is just, however, that these salaries should be gradually increased until, at least, they attain the level, paid in gold, of 1889.

The outstanding consolidated debt of the State is now reduced to 2,648,500\$ paper and next year will be further reduced by some 800,000\$ should the necessary authorisation for paying the balance of the bond admitted for the expropriation of the *Companhia das Aguas* (waterworks) be included in the budget, as the

period of three years for their withdrawal expires in December next as established in decree No. 378 of 23rd December 1896, which also provided against their amortisation or conversion before that time.

In conclusion I beg to draw your attention to the consideration of the position to be taken up by this State at the coming commemoration of the 4th centenary of the discovery of Brazil. It is proposed that we should take part in all the manifestations commemorative of that great historical event, the genesis of our incorporation to Western Civilisation. Pará, which is proud to reckon itself amongst the, intellectually, most advanced of Brazilian States, will, by assisting the proper commemoration of so notable and historical an event, give further proof of the noble sentiments by which it is inspired.

In the message that I shall shortly present you, accompanied by the estimates for the coming year, I shall consider more fully topics to which I have now only alluded.

It is with pleasure I now again assure you of the honour I feel in carrying out your resolutions.

Government Palace, Pará, 7th April 1899. — *Dr. José Paes de Carvalho.*

MESSAGE OF THE PRESIDENT OF THE STATE OF PARÁ THE BUDGET

To the members of the Legislative Congress.

Gentlemen:—

Laws Nos. 590 and 591, of June 25th last which regulated the income and expenditure of the State, are now in full operation with the most satisfactory results, their enforcement having been attended with no difficulty whatsoever. The adoption of the milreis of 27 pence as a fixed unit for the appraisal of public expenditure has, thanks to your wise resolution, become a reality and the collection of revenue has, under similar conditions, been also realised, without difficulty. The reform, thus introduced into the budget has not only produced no embarrassment whatever to the administration but has contributed towards the realisation of the programme adopted for the general financial reorganisation of the Republic.

A short time ago I addressed the merchants of this city, begging their assistance to secure the adoption in all commercial dealings within the State of the methods now employed by government. Such a change in our commercial usage is an indispensable condition for the successful introduction of other and more important measures to be realised later on. Furthermore, I think it indispensable that the municipalities should establish uniformity of usage in all budget transactions by following the example of the State. Uniformity of practice once established in every branch of the administration, municipalities and tax-payers will soon get into the habit of settling accounts by the same rule and, in default of any other circulating medium, will receive and pay inconvertible paper-money in the same manner as the State Treasury does at present. I am, however, inclined to believe that with a little more effort, we may yet be able to introduce the practice of settlement on a gold basis whatever the nature of the commercial transactions giving rise to them may be, because, if we only determine to make this our real objective, half the road will have been travelled already.

Whilst recommending this course to my fellow citizens, as I have always done from the very commencement of my administration, I felt certain that it could never be successful unless incessant war were waged on the only real existing obstacle — the reckless and inaccurate methods employed in business calculations, a bad habit into which we have fallen in consequence of the use of irredeemable paper money. Indeed, beyond this I see no obstacle to the attainment of the object in view.

In the message, which I had the honour to present you at the opening of the last session, I stated that to obtain the desired result it would be sufficient for everyone to have a true conception of our real interests and, after having endeavoured to show what these were, I said:—

It will be objected that the forced circulation of paper money must expel gold and substitute it; such would really be the case were not all here convinced of the necessity of preventing any further disturbance through the use of paper money, so ruinous in the past.

I then pointed out the historical example of Rio Grande do Sul, where, after the war of 1845 producers and merchants, guided only by common sense, succeeded in forming a gold stock, notwithstanding the immense amount of paper money imported into the province for the payment of the national forces and other services of the central and provincial governments. The paper-money issued by the Treasury was not officially repudiated but simply relegated to the secondary place. This is what we too must and can do, with even greater ease than the people of Rio Grande, whose action was impeded by the centralisation of the Empire. We have not, it is true, any legal right to impose, even in our own State, a monetary system in opposition to that of the Union, but, on the other hand, it is not in the power of man to compel the liquidation of any transaction in a manner different to that agreed

upon and contracted by the parties interested, so long as they desire to maintain it. The whole matter is reduced to a question of the interests of the contracting parties, and on this ground every man is free to act in the manner he finds best.

The injury caused by the forced currency given to paper money would be then counterbalanced by the advantages of the liquidation of business transactions in gold, or in cheques representing gold value, if we chose thus to regulate our affairs; and to secure it, it is only necessary that the custom be initiated in the upper ranks of trade. The preference of the public and its instinctive imitation of so powerful an example would then ensure its generalization. I am convinced, therefore, that it is really possible to reform the monetary basis of commercial liquidations.

The products of Pará are quoted in gold in consuming markets. Let producers receive their payments in gold also, and we shall have realised the principal element for the establishment of a gold stock.

If paid in specie both producers and exporters can then maintain with their bankers current accounts also in specie, and mobilise their credits by means of properly authenticated cheques.

The collection of revenue in specie would follow as a matter of course, because exporters would give the preference and thus ensure a further source for the realisation of a gold stock.

The municipal treasuries prepared beforehand by the adoption of the mil reis of 27 pence, would receive, if not real gold, at least its equivalent in gold cheques, and in their turn would also be enabled to mobilise their deposits by means of cheques.

Anyone who has properly comprehended this problem will readily see the necessity of investing the capital city with a preponderating influence as the centre for liquidation of all operations effected within the State. The Capital would then become a sort of clearing house and, with a limited amount of gold, the liquidation of every kind of business could be effected. I shall, in the economical interest of the State, be careful to carry out all the authorisations with which you may honour me in regard to this matter.

I, however, by no means overlook the following apparently crushing objection to the scheme. It is alleged that the habits and ignorance of the prime producers of our principal article of export will prevent their comprehending the advantage of receiving in sound money the reward of their labour. There is no doubt some foundation for this assertion as I have always admitted. But in reality it must be confessed that the difficulty does not originate with producers who, so far, have been allowed no choice between good and bad money, but been obliged to accept payment in depreciated currency of a value so uncertain as to derange their whole sense of comparison, and disable them from comprehending or resisting the extortion they are exposed to by dealing in paper money.

It must be admitted, I repeat, that the greatest evil does not lie in the supposed ignorance of producers, but in the persistence with which the educated and directing classes, whose good or bad practices serve as models in mercantile transactions, are led away by the same chimerical advantage of dealing in depreciated currency. The price of rubber in producing markets is a function of that in those where it is consumed. As, however, the exporter pays for it in paper money, the only remedy he has against certain loss, should exchange rise before delivery, is to keep a wide margin always in his favour.

The consequence of this very reasonable precaution must result in loss to producers, who, moreover, are menaced with further loss in consequence of the progressive depreciation of the money received in payment. Moreover, when our international exchanges leave a large balance in our favour, as is the case at present, what do we do with it? Barter it with the south of the country, and get more paper money in return! The offer of our bills produces, it is true, a transient rise in the market, which bankers, thoroughly informed as regards the prospects of our production, skilfully and artificially stimulate in such a manner, as to make it perfectly feasible that even the nominal sum received here in paper money by shippers be less than that originally paid to producers for the same goods.

As such a temporary rise in exchange is commonly followed by an immediate fall, our gold surplus, which before being bartered had a fixed value, on its transformation immediately becomes a function of the unstable value into which it is transmuted.

Summing up: At the initial purchase of the article from producers an injury is inflicted on them, and consequently on the economy of the State, and that injury is exaggerated later on by the exchange of gold for paper money.

The question may be asked: How are we to do otherwise, since we require paper money to pay not only producers but the duties on imports and exports? As to this latter, the present budget law, based on the mil reis at par, allows the taxpayer full liberty to pay in specie or paper. Why then should he convert it into paper money when the change cannot exempt him from paying the full value into the Treasury?

It may be alleged that a rise in exchange is impossible, and that even if it were, that it would be more advantageous to taxpayers to pay in paper than in gold, as they can always employ it advantageously meanwhile and convert it into paper money whenever they wish and the upward course of exchange is clearly established. Besides, such a result can never supervene so long as the present relation between the supply and demand of bills of exchange continues to exist, a relation necessarily unfavourable

to us, in consequence of the low prices of coffee. That could only be brought about by the direct action of the Government in the money market, backed up by sufficient and ample production, the whole future and development of which depends, as I have said, on the reform of our monetary system, and consequent re-employment of foreign capital in the country. Now it is certain that, however rapidly the rise in exchange be brought about by official intervention, our tax-payers would always have time to decide on the advantage of keeping their money in specie or in paper, and of paying duties in specie or paper as gold went up or down.

As regards the employment of paper money for payment of import duties, it is possible that an arrangement might be come to with the Union; until such time as the currency of the Republic be restored to its normal condition, or better still, until it shall be possible to establish a true fiduciary circulation based on real values. Such an emission of convertible notes must in no way be confounded with what is now current, absolutely unauthorised by the Constitution and in fact a mere floating debt contracted by the Republic, which it is necessary to extinguish at all cost.

The history of our monetary circulation, to which I referred not long ago in a communication addressed to the Chamber of Commerce of this city, shows how fatal has been the effect of unlimited emissions of inconvertible paper money all over the country. In that part of the Republic where a sound circulating medium had been constituted and maintained before the ingress of paper money, the invasion of this terrible plague made return to the former mercantile usage impossible, and retarded the development of the Country. Is not that a proof of the convenience of relieving, as soon as possible, the States and their inhabitants from the necessity of dabbling in depreciated currency?

Is not that a warning to the States to abandon the use of paper money whenever circumstances permit them the use and preservation of a real and honest currency?

Is not such a conclusion to be equally deduced from the study of actual circumstances interpreted by the light of the federal system, the most perfect because it represents better than any other the idea of the Country, that preserves self-government and the convergence of all constitutional elements?

Would not the Union profit, too, by the gradual abatement of the damage caused by paper money, and the liberation of those circumscriptions from its employment where, as is the case in Pará, it would be possible to substitute it by a true fiduciary circulation resting on real values? Along with the fiduciary regime referred to, what is to prevent the State from regulating the payment of Customs duties recovered by the Union in paper money upon the basis of the monetary unit of 1846?

If the federal authorities, in place of adopting a policy of joint action with the different States, such as I have often recommended, prefer to follow the policy just suggested, I have no doubt that the State of Pará would readily give its assistance in the attainment of the object in view. In which case all necessity for the employment of paper money, even for payment of duties, would disappear. In the meanwhile, it is evident that the lack of a radical solution of this kind cannot prevent us from employing in the development of our own resources the favourable balance of our trade with foreign countries, instead of changing it, as we now do, into convertible paper. By so doing, we would present to the monetary markets a proof of our good sense, and encourage the investment of their idle capital in our rising industries. Referring in another place to the obligation of well regulated governments to tax the people only in proportion to their ability, I said: "to compute and weigh taxation, impose it on the taxpayer, and justify it by its application to the common welfare. Such is the fundamental duty of true representations of the people."

On the same occasion I had the pleasure to observe how well you had fulfilled your mission, always bearing in mind that no burdens should be laid upon the people but those absolutely unavoidable for administration. I further remarked that in the administration of this State the essential conditions of a rational practical organisation of the burden of taxation with the following guiding principles had been, happily, observed: that these burdens must be distributed equitably, as far as possible in proportion to the benefit and practice afforded by the Society.

A proof of this is to be seen in the fact that the taxes levied on rubber constitute the greater part of revenue. This product unquestionably yields larger profits than any other and consequently can suffer a higher rate of taxation than other incipient industries.

But it is time for us to remember that this great advantage rests, in fact, upon the monopoly we enjoy as the only exporters of rubber in the Amazon region. It is high time that we endeavoured to create new and more stable sources of income, than one based exclusively on a monopoly which may one day be threatened by competition within the Republic itself as well as other countries. The creation of a land-tax, in a mild form, should at once be undertaken so as to ensure an equitable reduction of other taxes in compensation.

The proportionate and equitable distribution of the land-taxes is a subject for your careful meditation and a preliminary work of great importance. A tax of this kind should be very low as otherwise a most advantageous measure might become unpopular, but, if properly carried out, would prove the corner stone of the financial equilibrium of the State, and a source

of relief when the new system of taxation is put into practice, that is intended, ultimately, to do away with export duties altogether.

I know that by some the examination of this subject will be regarded as premature. Those, for example, who blinded by optimism imagine our present prosperity unassailable. The position they assume, however, is not practical. If we wait to be surprised by powerful competitors in foreign markets, it will then be too late to prepare for the struggle.

On the contrary, now is the time for the land-tax to be applied gradually, and without unnecessary annoyance or exaggerations, when the state of the Treasury is free from embarrassment and the Legislature can proceed without haste to determine the various stages through which it must pass. For the reformation of unhealthy usages and injurious fiscal methods nothing is more persuasive than the example of successful experiment, more powerful than all the weighty erudition of controversy.

It is my duty, I think, to recommend this subject to your particular care, begging that you will create an equitable and moderate tax on land and establish the rule that landowners must declare before the proper authorities the area of their lands and its dividing lines. This law should be enforced by fines, to be applied in case of false declarations or of non-compliance with its conditions within a stipulated period, the duration of which should, if long, be at least not subject to extension, and should authorise Government to rectify such statements at the cost of the proprietor, allowing a certain margin for error.

The sale of land without a declaration of its approximate area should be forbidden; and the date for commencement of collection of this tax be fixed at the last quarter of the coming fiscal year, thus giving ample time for preparations. Finally the initial rate as well as the corresponding territorial unit must be so moderate as to conciliate the good will of proprietors themselves who will be the chief gainers by it in the future.

I trust the people of Pará will understand the practical scope of the measure suggested, and that they will lend their patriotic and intelligent aid in laying the true foundation of the coming fiscal system of the State. The creation of this tax will confirm again the well known truism that Pará is really possessed of a government; for governing here means the convergence of all useful energies in the elaboration and execution of measures engendered by a common ideal; the ambition of all to consolidate the State's conditions of progress.

The realisation of the taxation of land will establish a starting point for the definite organisation of a fiscal system more in harmony with the common welfare.

Nevertheless, this will not be the only basis of the new regime, which we hope to see established before the term of the present government expires. We shall deal with others another time when we trust preliminary steps will have been taken to secure the co-operation of all the organs of local administration in the acquisition of elements necessary for the revision or rectification of the methods of distribution of the State or municipal revenue.



The movement of public opinion which brought about the proclamation of the Republic is the outcome not only of political aspirations but also of economical causes of the gravest importance.

The financial and economical situation created in the provinces by the imperial policy, corresponded no longer to their necessities or desires.

As soon as liberal tendencies towards self-government were thwarted by the situation created by the "additional act" and other restrictive laws, the cooperation of the discontent thus originated, with other political causes, in the overthrow of the Monarchy with its centralising tendencies, was certain. Such was the origin of the hopes with which the proclamation of the Republic was greeted. Its appearance was identified with federal principles and, on the overthrow of the old economic organisation, opened a vast field for administrative expansion in the provinces, raised to the rank of states. History shows that the most important political events are always the effects of economic causes.

That the cause of the French revolution was largely economic is certain. The *Cahiers des Charges*, exhibited by the representatives of the estate, were filled with complaints and demands for fiscal reforms; whilst it was under the pressure of misery, hunger and excessive and iniquitous taxation that the famous 'assembly' took its most important resolutions.

The German Empire is the immediate result of the Zollverein; but for the unquestionable advantages of economical and fiscal union it is improbable that the vague and historical yearning for a united fatherland would have found its realisation in the proclamation of Versailles. Nobody ignores that the independence of the United States originated in a tax on tea and that the discontent of the Americans was in reality provoked by the so called colonial system, by means of which England attempted to stifle the progress and development of her immense and promising colonies.

In a similar manner, if the history of the constitution of our new regime be studied, the great importance that was attributed to the economical status of the States constituting the Union is apparent, because to secure their well-being and a fair field there was no hesitation even to sacrifice important rights of the Union itself. Dreading that a scientific discrimination of revenues might damage the interests of the States, the Constituent Assembly divided

the existing taxes between one and the other, and left those not discriminated to be assessed by each or both. The federal system, however, demands for its proper application three independent or self-governing elements, the Union, State and Municipality, none of which can exist without its own clear and distinct fiscal system.

Whether satisfactorily or not the federal constitution has already dealt with the fiscal attributes of both the Union and the States, under which each enjoys the right of taxation.

In regard to the municipalities, the constitution merely determines that the States should grant autonomy in all matters of their own peculiar concern.

It was the business of the States, therefore, to designate the fiscal privileges or attributes they thought proper to cede to the municipalities. Such would have been but a logical application of the federal principles and a just recognition of the desire for decentralisation and self government common to all ranks.

With rare exceptions the States did nothing to solve the problem, merely stipulating in their written constitutions the condition of municipal autonomy, and prudently preserving silence on the fiscal question, in my opinion the most important of all, because until it is settled the municipalities must be mere instruments of State authorities.

The Constitution of Pará was in this respect no exception to the rule. It ceded nothing to the municipalities, but merely stipulated in article 59 No. 1 that it is the business of municipal councils to levy taxes and apply revenue as they deem best, for the maintenance of public welfare, thus leaving the discrimination of municipal taxes to legislation.

The simple assertion of municipal autonomy is not enough to make it a fact unless the means of maintaining a separate and independent existence be also guaranteed.

Nearly all the municipal irregularities in Pará are the result of this omission in our Constitution. The so-called "budgets" annually voted and published in the country towns are unworthy of the name, and only the extraordinary prosperity prevents people from resisting such imposition.

The wonder is how such a system, so opposed to business, expansion and common sense, as the so-called "Municipal Budgets" could ever have been invented. Let any one examine the budgets, and he will easily find motives for severe and just criticism. Articles of prime necessity to our simple and frugal life are outrageously taxed, and the imports and exports into and from such municipality burdened in a manner as to constitute the most extraordinary system of taxation on record. The accumulation of wealth is persecuted whilst personal taxes are not forgotten, and some branches of trade prejudiced and others favoured because better represented in municipal councils.

Except in those municipalities where taxation of rubber is the powerful source of revenue, the result is exactly corresponded to the efforts, and revenues remain insufficient and almost null.

Municipal taxation of rubber, instead of an economic source of tax, can be more improper than an unequal taxation by municipalities of this article, already taxed by the State as of old.

Cannot some means of putting a stop to such so-called "budgets" be discovered, and secure to the municipalities revenues sufficient for an independent existence, as is done in all countries where local self-government is the ruling principle of administration?

Surely eight years' experience should be now have shown us what the defects of our unsucessful municipal organisation are, and have pointed out the means of obviating its various imperfections and imperfections.

It is not my intention now to draft a complete plan for the discrimination of municipal revenue, but to call your attention to a few rules that I consider essential for its realisation.

In countries under the federal system, the distinction of direct and indirect taxes has the highest importance, although economical science has not yet been able to sharply distinguish between the two.

Indirect taxes are commonly applied to more extensive political areas and direct to comparatively limited circumscriptions. Such a distribution obeys a practical object. Indirect taxes being more felt by the taxpayer, it is always a good policy to apply their product to works and improvements that will attract his attention.

The Constitution did not adopt this principle in its entirety because of the necessity of allowing to the States the duties on exportation, but, nevertheless, secured to them all the direct taxes hitherto collected, and gave to the States and Union the joint or cumulative right of creating new ones.

In this principle it is, I believe, possible to discover a method for the discrimination of State and Municipal revenues. The indirect taxes might be reserved for the State, the direct ones to the municipalities. Such a distribution, however, could not be always rigorously applied in obedience to theoretical rules — some latitude must be admitted. For example a direct tax like that on land should be in a general sense reserved for the State, but at the same time, within certain limits, the municipalities should be allowed to levy an additional tax of a similar nature.

As regards this matter, as also many others of an economical character, valuable lessons are to be gathered from the United States, our masters in the art of federal government.

In the United States, direct taxation constitutes the chief source of revenue of local administration, taxation of capital being the most prominent. The taxation of capital which is very common

in the United States, does not affect opinion in the same manner as in Europe. Within clearly defined and reasonable limits it is an excellent municipal impost, and in the U. States meets with no opposition whatever.

The land-tax, for the realisation of which I am working, is nothing more than a tax on capital.

Several timid attempts at taxation of capital have been made among us, the tax "Rubber Roads" which figures in many Municipal budgets is, in reality, such a tax. Such a commencement, crude and undeveloped as it is, could only be praiseworthy were the tax really levied in substitution and not, as appears, as an extension of them.

Grazing districts, instead of taxing the cattle exported as they now do, might create a cattle tax to be paid by each proprietor according to the number of cattle he owns. As farmers frequently count their cattle, the appraisement and collection of the tax would not be difficult.

There are many other descriptions of wealth from which taxation would be practicable and provoke little remonstrance if applied with moderation and equity. Nevertheless, while it is proper to restrict direct taxation to the municipalities, especially taxation of capital, the Legislature must be careful to discriminate clearly and precisely the limits within which municipal action must be restricted, in order to prevent the evils arising from their possible abuse.

Regarding direct taxation, it is, I think, indispensable to forbid the municipalities from levying progressive taxes. From a scientific point of view, progression in taxes causes them to lose their fiscal character to assume an economic character. Progression changes a tax from a useful fiscal instrument into an element of discord between classes and of perpetual hostility between the rich and poor.

In countries governed on democratical principles, where majorities rule unrestrained, the power of progressive taxation by municipalities, where political feeling is always most acute, is certain to sow the seed of evils that should be prevented from the outset. Direct municipal taxation should be uniform, and both partial or total exemption, so liable to be abused by parties, absolutely prohibited.

It is also advisable that the State should determine the maximum rate of taxation, and thus prevent over taxation by municipal authorities, especially of capital.

What with limited taxation of capital, such as I have just described; a surtax on land independent of that levied by the State, such as is recovered in Europe; licenses to industries and professions, which should be turned over by State to municipalities and other taxes easily imagined, a source of regular revenue might be created that, together with those already enjoyed, such as house taxes, weights and measures dues and licenses, revenue from slaughter house, cemeteries and other municipal property, would be amply sufficient for the reorganisation of municipal budgets with the complete suppression of all taxes on inter-municipal commerce.

As it would be necessary to secure the municipalities against the disturbance that important fiscal reforms always produce, the State should undertake to levy, for some years, an additional tax on rubber to be distributed proportionately among the municipalities where it is produced. I select rubber, because it is the only product which can support further taxation without serious loss to producers.

To increase the taxation of cocoa for example, would be senseless just when the State, in order to favour the precarious situation of this article in foreign markets, has determined on the complete suppression of the corresponding export duties. How dangerous a resource export duties, so justly condemned by economists, may be, even when entrusted by the constitution to the States, which alone are competent to form correct judgment as regards the ability of production to resist them, appears evident.

I have already shown how necessary it is to prohibit the employment of taxation of exports by municipalities and its substitution by other imposts. Whilst, therefore, permitting a municipal tax on rubber for the time being, it is necessary that new sources of revenue be decreed for the different municipalities without delay, and the municipalities be forbidden, meanwhile, from levying imposts of any kind on exports, that so seriously impede trade, raise prices of necessities, and provoke economic and fatal rivalry between different districts.

Should you succeed in solving the problem of the discrimination of revenues and secure to municipalities the means of existence without recourse to objectionable taxation, by giving them an organisation similar to that which is the origin of the success of municipal institutions in the United States, you will succeed in smoothing from their path evergrowing obstacles and, without prejudice to the wealth of the State, you will secure order and affluence to the municipalities. These will then be in a position to undertake those improvements which, in all countries where municipal institutions are real, should be their peculiar care, exacting aid from the State only because amongst us real self-government and its responsibilities are not understood.

Various were the causes that led to the disappearance of the great plantations that formerly flourished in the State, and very few municipalistic now present vestiges of even that early agriculture, rudimentary and primitive as the lack of labour and ca-

pital, of technical skill and initiative on the part of proprietors who waited for the government to do everything, necessarily made it. With the exception of Bragança, Avité, Iguaçu-miry, Acará, Guamá, Obidos, Santarem and Cameté, which have a few small plantations of cocoa, tobacco and cereals; and of the colonies along the route of the Bragança railway, where cane and cereals are grown on a small scale, it may be said that agriculture is entirely abandoned, to the prejudice of the poorer classes and of revenue.

In like manner pastoral industry, which might of itself constitute our greatest and most solid source of wealth, is declining from day to day, although the islands of Maranhão, Mediana, Goviana, and Gurupá and the municipalities of Obidos, Monte Alegre, Macapá, even with the primitive processes employed, are more than sufficient to supply the markets of Pará, and leave a surplus for export, as was actually the case in former times. Such has been the falling off in the production, however, that the Capital was compelled, not long ago, to contract the importation of cattle from the Plate, Pará, which a few decades ago, exported sugar, rum, cereals, cocoa and tobacco, and was in the hey-day of agricultural prosperity, is at present reduced to the sad necessity of importing every article of food, even down to "mundioca" flour and meat. The insufficiency of local supplies has reached such a point that, wherever navigation is possible, there are few inland towns but depend entirely on imports for subsistence.

Such a state of things is lamentable, but nothing can be gained by concealing the truth, the knowledge of which may, however, prove a stimulant to dormant energies, and serve to attract the capital and labour indispensable to the development of our resources on a solid economic basis. So long as we remain unable to lay by capital and are compelled to purchase necessities at exorbitant prices for the consumption of our inland population, we shall remain a poor and backward people, whose prosperity will be even at the mercy of alien speculators. This condition is not peculiar to Pará, the destructive effects of the crisis being felt all over the Union, but less in this State than elsewhere in consequence of the profitable nature of its principal industry — rubber, which, in spite of the competition of other countries, must for many years be a monopoly of the Amazonian regions.

Whilst employing natural agents, it is, and always will be, man's object to gather wealth by the quickest means and by the least possible labour.

That our rural population should have abandoned everything in search of the fabulous wealth yielded by the *horrea brasiliense* is scarcely surprising, and, indeed, it would be an economical error to attempt by artificial means to disorganise an industry so remunerative and advantageous, the products of which are as useful as coal or iron and daily increasing in value and consumption. On the contrary, I believe that this, our most prosperous and lucrative industry, should be relieved from excessive export duties, and aided by the foundation of factories for the manufacture of its products; whilst easy and rapid means of transport should also be provided, and, as far as possible, a stop put to the nomadic and primitive habits of labourers, who when the summer season is over, relapse into idleness and refuse agricultural employment even at high wages. The law authorising the assistance of agriculture, voted last session, granted to the Government a credit of 300,000\$ in gold for the establishment of two central factories and for subventions of colonial nuclei established under adequate conditions in the rubber districts.

Unfortunately no candidates for these favours have yet appeared, which, probably, is to be explained by the routine habits of landed proprietors and the low rate of exchange so destructive to wealth. The future of the rubber industry is, however, secure, as the enormous area of production and the peculiar climatic conditions guarantee a virtual monopoly.

The production and consumption of rubber increase year by year; prices are sustained in the foreign markets; there is no scarcity of labour, it being derived from the neighbouring States as distant even as Pernambuco, and foreign capital is beginning to interest itself in a business of such fabulous profits, and sooner or later the capitalists of the wealthy southern States will come to our aid in the utilisation of the inexhaustible native wealth yet unproductive and unexplored.

Leave, therefore, rubber, nut, coajalyba, textile, fibre and other prosperous industries to develop unhampered by legislative restraint, constituting as they do our greatest source of wealth, as it would be absurd to burden our chief sources of revenue with prohibitive taxation, when on the contrary it is our duty to encourage commerce; develop navigation and reduce the cost of production to the utmost of our ability. Besides such measures, agrarian interests exact our best care and attention. The financial situation, prosperous though it be, must be consolidated and a favourable balance of trade be secured.

The chief object should be to increase and cheapen the production of the necessities of life by giving special attention to the cultivation of certain products and thus resolve the problem that hinders our prosperity.

It behoves, therefore, the planters and graziers of this State to throw off their indifference and apathy, and to make up their minds to face the situation with intelligence, activity, and perseverance.

Holding in high respect the patriotic spirit of those classes which unfortunately are not properly represented in our country and desiring to see them share in the management of our institutions, I promoted in November last the Society of Agriculture, and entrusted its organisation to well known and energetic persons who undertook

to foment this movement, foreign to the attributes of State government. I feel sure that the *Sociedade Paraense de Agricultura* will not forget the importance of its mission, and think it would be advantageous that the fiscalisation of the model farms for plantation of cocoa, tobacco and cereals, as also of the projected stud-farms should be entirely confided to its supervision.

Although the State possesses districts appropriate for every kind of cultivation, the preference should be given to the improvement and manufacture of cocoa, tobacco, and rice, in which branches we could, within a few years, undoubtedly attain a dominating position in consuming markets. With the exception of Venezuela, Central America and some districts of Mexico, no other region of the world can compete with ours in these kinds of products. The first requisites for such a programme are to establish a line of steamers devoted exclusively to the transportation of meat and other food products; to found a rural bank to provide credit to farmers at a moderate rate of interest and easy terms, and finally, to organise technical education. As regards the last, the programme I propose to carry out must necessarily be modest and limited. It would be unadvisable to establish all at once high class agricultural schools of a theoretical character. Experience has, elsewhere, shown that these institutions have little value unless supplemented by practical and intuitive teaching.

Agriculture still so primitive amongst us as to even use the prehistoric wooden plough, must modify its methods and adopt modern and mechanical processes. It must be taught to utilise labour-saving appliances, improve the existing cultivation and try other kinds suitable to the climate.

Elementary instruction of this kind can be no longer delayed and must be practiced on farms devoted to practical demonstration and in zootechnic schools, such as have been widely founded in France, England and the United States. There can be little necessity of pointing out their advantages, as the object of these useful institutions is to propagate rational methods of agriculture and cattle breeding, and prepare agricultural apprentices, who may constitute, in the future, the class well acquainted with the most important processes of agriculture, and prove able auxiliaries in the management of large farming interests. Such are the true and practical lessons to be inculcated, the teaching of which must be organised according to the requirements and suitabilities of each district, and their organisation varied according to the necessities and aptitudes of each zone.

Leaving higher theoretical instruction for later on, I intend, shortly, to reorganise the *Louro Sodré Institute*, converting it into an orphanage as already authorised, and annex to it the elementary practical school of agriculture with its experimental farm and breeding establishments.

In the settlement of Jambu-Assu and Marapanim, demonstration farms have already been started, modest ones, it is true, but of real practical utility. Then, little by little, others will be established in the other districts as the resources and requirements of the State permit. The success of such an institution depends exclusively on its management, which I shall entrust to experienced agriculturists; but must also rely on the good will of the planters, who, however, will no doubt be only too ready to pay their frequent visits and witness the efficiency of science applied to agrarian works.

When our farmers are convinced of the wonders worked by scientific agriculture, when we are able with a minimum of labour and outlay to produce ten times what we do at present, by applying to our soil the methods of modern science, this State will, in all probability, develop into the richest and most prosperous in the Union, notwithstanding the scantiness of its population. Being assured of your co-operation in this matter, I have spared no efforts to distribute amongst agricultural colonies most of the immigrants arrived from the Northern States, and with that object have either founded new settlements or allied them to those of Europeans already in existence, that must derive great benefit from such experienced auxiliaries.

We received last year about twelve thousand immigrants from other States, half of whom, at least, have, in consequence of these measures, been utilised in various agricultural and cattle-raising districts. We were not prepared to receive and shelter our unfortunate countrymen, driven from their homes by a disastrous drought, but in any case the duties imposed by humanity have been conscientiously performed and no pains spared to see them happily settled in this State, which owes much of its prosperity to their co-operation.

With the object of improving and centralising our important immigration service, the development of which requires a certain degree of independence of action, I determined to establish inspections of lands and colonisation. I have already promulgated the corresponding laws and regulations and believe that the establishment of new settlements by government and privately, sale at auction of the public lands already surveyed under the regulations of the Torrens law, the explorations of rivers hitherto little known, and other measures cannot fail to increase production and facilitate commerce.

Ours is, hitherto, the only Northern State that has undertaken the tedious task of founding colonial nuclei or homesteads with European immigrants, and, notwithstanding the defects of the system adopted, results have already proved that the efforts have not been unfruitful. There are already eight settlements in full activity and eight more in preparation. In spite of the unavoidable difficulties and administrative embarrassments, caused by inexperienced personnel, the signs of progress are visible everywhere. Europeans from the south of Europe are quickly acclimated and bear the fatigue of field labour easily and happily in their new country and

are already saving money and becoming proprietors in a small way; promising to be powerful factors of National life and wealth.

The accusations of excessive heat and unhealthiness have been thus refuted and our climate revindicated. Europeans located on those settlements have not yet suffered by yellow or pernicious fevers or beriberi, which are, here, never more than sporadically appearing under special conditions, and which will finally disappear as soon as the sanitary works, now being designed, are completed. We must, therefore, persevere until, with the disappearance of these groundless prejudices, the current of spontaneous immigration, so indispensable for our development, shall have set definitely to our territory.

In order to people the vast peninsula bound by the Gurupy, Capim, Amazon rivers and the sea, which will soon be traversed by the Belém and Bragança railway, every effort has been made to concentrate on these fertile lands, all well irrigated and covered with virgin forests, the greater part of the European and native immigrants.

I do not hesitate to say that this enormous territory will soon be the chief granary of the State, possessing as it does a mild and temperate climate, and affording exceptional advantages for industrial and agricultural development.

During the current year small agricultural and pastoral suburban settlements should be founded in the neighbourhood of the towns, the areas of existing settlements be enlarged, and the roads to them improved and elementary industries implanted.

Railway rates on agricultural produce should also be reduced to a minimum and communication between the cities on the coast by the Bragança Railway be facilitated. A colony should be started at the mouth of the Tapajós river and finally a penal colony founded on the Northern Banks of the Amazon.

Should these ideas meet your approval I shall experience great satisfaction and request you to commence by granting the necessary authorisation for the modification of land law and that regulating the localisation of immigrants, because the present regulations do not allow government the liberty of action indispensable to radically reform the service of colonisation. Our programme should be to transfer to responsible private companies the greater part of those charges, which now burden the Treasury, and to defray the expense of the service with the product of the sale of public lands, and favor spontaneous immigration by practical means.

The doubts provoked by the text of the constitution concerning the respective rights of the Union and of the States in regard to stamp taxes still continue.

In the Federal constitution we find the following texts:—
Art. 7th. It is the exclusive business of the Union to decree:—

2nd. Stamp taxes, with the restriction of Art. 9th § 1. No. 1.

Art. 9th. § 1. It is also the exclusive business of the States to decree:—

1st. Taxation by stamps on acts of exclusively State attributes which do not affect the economy of the Union. The whole question hinges on the definitive explanation of what really constitutes the separate interests of the States and Union.

Opinions favouring the States maintain the only criterion for the discrimination of stamp taxes to be the circumscription where its legal effect is produced. If this be true, all acts or affairs of civil life within the territory of the States are subject to the State stamp only. My worthy predecessor and all other state authorities, adopted this principle, defining the stamp tax in Art. 1 Chap. 1 of the Regulations published with decree No. 414. The stamp tax is here proportional and unvariable, and embracing all acts referring or dependent on the authorities and officials of this State, as well as papers submitted, or to be submitted, to their judgment or decision and intended to produce effect in all departments of the State or municipalities.

As late as 1896, the federal government would not agree to this interpretation of the text of the constitution. They held that according to its expressions the stamp tax was not a cumulative impost permitting both powers to tax the same acts; but that the State stamp was an exception and the federal tax the rule; that if the interpretation given by the States were followed, the position of each of these powers would be inverted, because nearly all stamp taxes would correspond to the States. In short the federal government down to 1896, protested against State laws, that established the territorial principles as a discriminating element, and adopted as a criterion the nature or the quality of the acts, and directed that the stamp to be used should be determined by the latter.

The budget law of December 16th 1896 established in article 31 the following conditions:— All titles, bills, checks, values, invoices, powers of attorney and contracts, and all judicial documents, including acts of companies or societies etc., originating in any state or in the Federal district itself, and intended to produce legal effect outside of their particular circumscription, or those liable to the jurisdiction of other than State Courts, such for instance as a Federal Court, or the courts of other States, are liable to the Federal stamp, as specified in the laws and regulations in force.

This clause, in reality, strengthened the position assumed by the State in this matter and justified local stamp duties.

The question, however, was not settled. Ministers of finance continue to remonstrate and to demand a clear definition of the text of the Constitution.

Law No. 559 of December 1898 (The Federal Budget) has renewed the dispute in terms that require careful attention and prompt action in order to prevent taxpayers from suffering from this conflict of jurisdiction.

In article 10 of the above quoted law, in which the pretensions of the Union are recapitulated and the cases of revalidation specified, the following disposition is to be found.

§ 2. Revalidation of stamp duty may not take place after the lapse of ninety (90) days, and any document not duly stamped within this term and in accordance with the regulations will be considered null and void.

This means that all documents referring to acts and affairs of civil life, regulated by federal laws, are null and void unless federal stamps have been applied, the State stamps affixed having no value whatever.

But what is worse, in such cases it is possible to interested parties to declare them as null and of no effect.

What then is the position of litigants as regards federal and state laws and regulation? Simply disorder and confusion in every relation of commercial and civil life.

If the logical deductions of the principles insisted on by the federal government are accepted, we see that documents liable to federal stamp duties include private powers of attorney, promissory notes, bills of exchange or otherwise, letters of credit, orders, bills of lading, current accounts, loans and deeds of mortgage, contracts and dissolution of mercantile and industrial association, contracts for leases and in fact any contracts entered into by private persons for the use and possession of their moveable and real estate, debentures of companies, guarantees, certificates of entail, judicial deposits, promissory notes etc., etc.

From this long enumeration it will be observed that the decision arrived at by the federal authorities, in opposition to the laws of the State, will not only be a source of annoyance and vexation to interested parties, but will also deeply affect the revenue of the State.

From whatever point of view we consider the question we cannot fail to recognise its importance. It is, however, prudent to reflect seriously on the instability that the penalties exacted by this interpretation of the federal law must introduce into the most important acts of civil life, should the State insist on taxing them likewise. State judges, to whom litigations must be first submitted, would maintain the legislation of the State, in which case there will be the right of appeal to the supreme federal court, which, if maintaining the federal law to be constitutional, will be compelled to declare null and void acts practised in perfect good faith.

It is my duty to call your attention to this subject in order to prevent the extinction of important interests at present endangered by the conflict of this dual legislation.

I have already called your attention last year to the urgent necessity of the creation of a new mechanism for the fiscalisation of the revenue and expenditure of the State. I then referred to the "auditing board" as an institution created in all countries with well regulated finances, to fiscalise the due execution of budget laws and others, of a purely financial character. I see nothing in our form of Government to prevent the operation of such a board with as good results as have been obtained elsewhere.

It is clear that in a State with little revenue there can be no object in funding so costly an institution, but here, where the revenue alone reaches a considerable figure, it is to surround its expenditure with better guarantees and enable public opinion to judge of the regularity of financial administration.

The auditing board is in my opinion a constitutional creation, and it has introduced beneficial and salutary alterations in the administrative mechanism. Organised on scientific principles it will, far from being a hindrance, serve as a citadel on which the executive can fortify itself against the thousand solicitations which it is not always easy to withstand.

I insist so strongly on the creation of the "board of audits", because it is necessary to put a stop at once to the corruption common to many municipal administrations.

I am well aware that municipal autonomy will not admit of indiscriminate interference in domestic affairs, but the powers which should be conferred on the Board do not interfere with the principle of autonomy, and are authorised by the Constitution of the State. Thus, in article 61 we find the following constitutional text:

The penalties to be imposed on the aldermen and the mayor shall be defined by a special law, as well as the method of dismissal in case of misappropriation or embezzlement of municipal funds or effects, without prejudice to posterior criminal prosecution.

There is nothing to prevent this duty being confided to the Board, which, after examining the accounts presented annually by the mayor, will determine whether there has been misappropriation of municipal moneys before proceeding to order his dismissal.

It is plain that, in the power of audit, the Board must be restricted to ascertaining whether revenue has been properly collected and whether the expenditures agree with the authorisations of the municipal budget.

Thus circumscribed, municipal autonomy will have nothing to fear or complain of.

As far as regards municipal accounts the Constitution does not exclude this interpretation of art 61; on the contrary, its comprehensive stipulations may easily be taken to include fiscalisation by such a Board.

Experience has shown that such a method of controlling accounts by the municipal councils is an absolute farce.

The latter, presided over by the intendent whose interest is at stake, are obliged to bow to his will or find themselves without any means of making the audis a reality. The intendent having it in his power to delay the investigation indefinitely.

Authorisation might also be granted to the auditing board which must be made independent of political influence with powers to suspend, when necessary, the clauses of the municipal budget not in harmony with the requirements of the Constitution and of organic law.

I do not think that, by the terms of the present Constitution, Congress may yet delegate such duties, but as the reform of the Constitution cannot be undertaken now, this matter should be remembered in order that the interests of the taxpayers may be better protected.

The revenue already collected for the first half of the present fiscal year encourages the expectation that by the end of the year, it will have reached over six thousand contos gold. And as everything leads to the belief that its progressive increase will suffer no interruption, it may be anticipated that next year revenue will attain at least an equal sum. I think, therefore, that it is safe to estimate the revenue for 1899—1900 at 6,331,000\$ gold.

There is nothing to prevent certain measures from being taken for the encouragement of our yet petty agriculture, and assistance of the poorer classes. With this object, in addition to other taxes yielding little or no revenue, I did not include in these estimates export duties on cocoa, nor the greater part of landing and other charges on vessels, evidently unconstitutional. By the suppression of these taxes revenue will have suffered a decrease of not more than eighty contos gold, which will be amply compensated by the advantages that will accrue.

In the estimate of the expenditure, I attended as much as possible to the development, which certain branches of the public service have shown, and so far as relates to officials' salaries, I have restored with slight alterations the former schedules to what they were when exchange was at par, this increase not amounting to more than 30% over the present rates.

As regards the judges of the lower courts, I have thought it proper to make an exception to the general principle, because at the time these salaries were fixed, they gave rise to general complaints. I had also to consider that the suppression of the judges' emoluments added to the difficulties of their situation, which it is to the interest of society to render easy.

The measure being merely one of reparation, it was not possible to exactly equalise the salaries of all officials of even the same rank, this, however, can be done in the next budget, if circumstances permit. Some salaries, you will observe, are, therefore, maintained at existing rates in the new schedule, because they are above or at least on a par with those when exchange was at par.

There are still some items of expenditure which, by virtue of contracts or laws, must still be paid in paper and require, for the sake of uniformity in the budget, to be converted into gold. I have adopted for this conversion the rate of 9 pence, which will be, probably, the average rate of exchange during the next fiscal year, should the federal government carry out its financial scheme, and avail itself of the authorisations which the Federal Congress has already granted it, as well as other complementary resources, which will certainly not be refused.

I beg to call your enlightened consideration to the following proposal for the budget of revenue and expenditure for the year 1899—1900.

REVENUE

Art 1st. The income revenue of the State for the period of 1899—1900 is estimated at 6,331,000\$ gold, to be realised from the collection, within the stipulated period, of the following taxes:

ORDINARY REVENUE	6,331,000\$
A. Duties on exports, as stipulated in the existing law and corresponding regulations in conformity with the annexed schedule	5,000,000\$
B. Industrial and professional licenses to be collected in virtue of the present law, and corresponding regulations in conformity with the annexed schedule	1,000,000\$
C. Landing charges to be collected by virtue of the present law and regulations, in conformity with the annexed schedule	1,000,000\$
D. Stamp tax to be collected in virtue of the present law and regulations and in conformity with the annexed schedule	200,000\$
E. Transfer duty on property to be collected by virtue of the present law and regulations and in conformity with the annexed schedule	1,000,000\$
F. The Bragança railway receipts in accordance with the rates stipulated in decree No 455 of July 16th 1897	1,000,000\$
G. Water rate to be collected in virtue of decree No 123 of September 28th 1895	600,000\$

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M. Official Gazette receipts	401000\$
L. Lauro Sotris Institut receipts	600\$
J. Receipts of other state establishments, the rate of merchan- disan embarked at the <i>Recibo-aria</i> warehouse being fixed at 2 reis per kilo.	81000\$
K. Land tax	—
EXTRAORDINARY REVENUE	941000\$
A. Sale and revenue from public lands, collected in virtue of decree No 364 of June 2nd 1891.	81000\$
B. Collection of debts due to the State	61000\$
C. Indemnities	401000\$
D. Eventual revenue	401000\$
SPECIAL REVENUE	1981400\$
A. Bourse tax, collected by virtue of the present law	801000\$
B. Additional tax in aid of Union expenditure within the State, to be collected in virtue of the present law	1141400\$
C. Tax on Fine Arts, by virtue of the present law	41000\$
I. LEGACY DUTIES.	
To 1st and 2nd cousins and grand children of brothers and sisters	10 to 12 %
Between other kinsmen to the 16th degree, appraised by civil law	17 %
Between husband and wife, <i>à intesto</i>	16 %
Between Strangers	23 %
II. DONATIONS, <i>inter vivos</i>.	
In direct line, to heirs	1/10 to 1/5 %
Between fiancés <i>by ante nuptial</i> contract	1, 5 %
Between husband and wife	2 to 2 1/2 %
To brothers and sisters, uncles and aunts, and nephews and nieces	2 to 2 1/2 %
To 1st and 2nd cousins and grand children of brothers and sisters	3 to 3 1/4 %
Between other kinsmen to the 10th degree, appraised by civil law	5 %
Between strangers	8 %
III. PURCHASE AND SALE, PURCHASE AT AUCTION, ADJUDICA- TION, DONATION <i>inter vivos</i> AND ANY SIMILAR ACTS RELATING TO REAL ESTATE, WHETHER BY ITS NATURE OR APPLICATION.	6 1/2 %
IV. On exchanges, that of lesser value will serve as basis and if of equal value, either	1/5 %
And on the difference, if any	6 1/2 %
V. The constitution of emphyteusis and sub-emphyteusis	1 1/5 %
On the premium if any	1, 12 %
VI. On the transfer of any concession with due authori- zation of the respective authority before the enter- prise be realized or possession be actually taken, with the exception of those specified by law of 8th August 1891	12 %
VII. Of the subrogation of intransferrable property, in con- formity with the laws, in addition to the transfer dues if effected in public bonds	3 %
If not in bonds	12 %
VIII. All transfers subject to transcriptions in accordance with current mortgage laws in addition to the usual transfer dues	1/5 %

Estimate of Expenditure for the year 1899-1900

CLASS I	
FUNDED DEBT	
3611548\$000	
1. Amortisation of the loan contracted with the Banco da Lavoura e Commercio, Rio, at present reduced to 1,147,000\$ (217,000\$ paper).	721334\$
2. Interest of 5 % on same 61,925\$ paper	201642\$
3. Commission and other expenses on the loan	500\$
4. Redemption of the rest of the bonds issued for the expro- priation of the Companhia das Aguas (waterworks) 394100\$ paper	1311667\$
5. Interest at 6 % on ditto for six months 111,325\$ paper	31941\$
6. Amortisation of the loan contracted with the Banco do Para, 200,000\$ paper	661667\$
7. Interest on ditto, 42,000\$ paper	141000\$
8. Interest of 5 1/2 % on the bonds issued to substitute those of 8 % to the amount of 107,400\$, 5370\$ paper	11790\$
9. (Floating debt) Outstanding accounts	501000\$
CLASS II	
GOVERNMENT OF THE STATE	
701295\$000	
1. Salary of Governor (60,000\$ paper)	201000\$
2. do vice-Governor (18,000\$ paper)	61000\$
3. do Personnel of Governor's office as per schedule N. 1	41000\$
4. Office expenses	21000\$
5. Gas	500\$
6. Salaries to personnel of Ministry of Interior as per sched- ule n. 2	31255\$
7. Expenses of ditto	21500\$

CLASS III	
LEGISLATURE	
911340\$000	
1. Salaries of senators 451750\$ paper	151250\$
2. do deputies 911500\$ "	301500\$
3. Expenses allowance to members of Congress	11800\$
4. Salaries of personnel of offices of the Senate	111755\$
5. do do chamber of deputies	151555\$
6. Reporters in the Senate	5100\$
7. " Chamber of deputies	7100\$
8. Stationery for Senate	2100\$
9. " Chamber	21500\$
CLASS IV	
JUSTICE	
2601350\$ 000	
1. Salaries of judges as per schedule n. 5	201500\$
2. ditto of the personnel of the Ministry of Justice as per schedule N. 6	61150\$
3. Salaries of the personnel of the offices of the High Court of Justice as per schedule N. 7	11110\$
4. Stationery for ditto	11100\$
5. do for the Ministry of Justice	50\$
6. Expense allowance to magistrates and members of the Ministry	11500\$
7. Salaries of the personnel of the Bar as per schedule N. 8	21100\$
CLASS V	
REVENUE OFFICERS	
1. Salaries of the personnel of the Treasury as per schedul. No. 9	61120\$
2. Stationery for said department	1170\$
3. Salaries of the personnel of the revenue offices as per schedule N. 10	611510\$
4. Stationery for ditto	1100\$
5. Percentage to collectors	581000\$
6. Stationery for collectors office	700\$
7. Percentage to collectors of revenue	11300\$
8. " for collection of tithe on inheritances and legacies	2100\$
9. Percentage on collection of debts	100\$
10. Legal expenses of the Treasury	710\$
CLASS VI	
PUBLIC HEALTH	
1171937\$000	
1. Salaries of the personnel of the Department of Hygiene as per schedule No. 11	581177\$
2. Stationery for ditto	1100\$
3. Rent, ditto	1000\$
4. Public assistance	61000\$
5. Emoluments to municipal physicians	12100\$
CLASS VII	
INSTRUCTION	
141331614\$000	
1. Salaries of the personnel of the Director General's office as per schedule No. 12	141500\$
2. Stationery for ditto	11500\$
3. Salaries of personnel of the Lyceum as per schedul. No. 13	61322\$
4. Stationery for ditto	11000\$
5. Salaries of the personnel of the Normal Schools as per sched- ule No. 14	51050\$
6. Stationery for ditto	11000\$
7. Salaries of personnel of the Lauro Sotris Institution, as per schedule No. 15	721500\$
8. Maintenance of ditto	581000\$
9. Supplies for workshops of ditto	71000\$
10. Salaries of Personnel of the (Gamael Bittencourt Collège) as per schedul. No. 16	201110\$
11. Maintenance of ditto, including clothing and transport for such pupils as marry	251000\$
12. Salaries of the personnel of the Library, as per schedul. N. 17 . 2	71000\$
13. Stationery for ditto	4000\$
14. Indemnities	4000\$
15. Aquisition of books and reviews	21000\$

16. Salaries of personnel of the Museum as per schedule No. 19	39,800\$
17. Stationery and other expenses for ditto	35,000\$
18. Salaries of the administrative personnel of the Institute Carlos Gomes, as per schedule No. 19	3,000\$
19. Fees to Art teachers contracted	30,000\$
20. Materials for ditto	500\$
21. Salaries of personnel for primary schools and rent of school houses as per schedule No. 20	670,370\$
22. Supplies for ditto	9,000\$
23. School furniture	20,000\$
24. Extra Salaries to substitute teachers in accordance with the regulations	3,000\$

CLASS VIII

PUBLIC WORKS

1,041,770\$000

1. Salaries of personnel of the Ministry of Public Works as per schedule No. 21	94,770\$
2. Stationery	2,000\$
3. Working expenses of the Bragança Railway, including those on the Benfica branch	240,000\$
4. Extension of said railroad	230,000\$
5. Maintenance of the waterworks, including the renewal of material	40,000\$
6. Construction	200,000\$
7. Construction of school houses	50,000\$
8. Repairs of public buildings	30,000\$
9. Improvements in the Interior of the State	135,000\$

CLASS IX

LANDS, IMMIGRATION AND COLONIZATION

820,500\$000

1. Salaries of the inspecting staff, as per schedule No. 22	63,500\$
2. Stationery for ditto	2,000\$
3. Expenditure on immigration, colonization, catechising of Indians, and annexed services	750,000\$
4. Expenses of the launch "Lauro Sodré"	5,000\$

CLASS X

POLICE

1,013,500\$000

1. Salaries of the staff, as per schedule No. 23	474,400\$
2. Stationery for the department	2,000\$
3. Subscription to 13 telephones 3,000\$ paper	1,300\$
4. Purchase of mounts and current expenses of a police van	1,000\$
5. Salaries of the staff of the jails as per schedule No. 24	24,500\$
6. Stationery and house rent for ditto	4,000\$
7. Detective and other police services	10,000\$
8. Food for poor prisoners at 400 réis per diem, clothing, etc.	40,000\$

CLASS XI

MILITARY FORCES

1,076,291\$150

1. Salaries of the State Military regiment as per schedule No. 25	403,291\$150
2. Pay of officers and privates	480,000\$
3. Uniforms, arms, harness, forage, etc.	184,000\$
4. Maintenance of the military hospital	6,000\$
5. Lighting of barracks and Hospitals	3,000\$

CLASS XII

DEPARTMENT OF STATISTICS

10,200\$000

1. Salaries of the personnel as per schedule No. 26	10,200\$
2. Stationery	100\$

CLASS XIII

OFFICIAL GAZETTE

47,290\$000

1. Salaries of personnel as per schedule No. 27	7,290\$
2. Maintenance, renewal of material and percentage to manager	40,000\$

CLASS XIV

BOARD OF TRADE

7,500\$000

1. Salaries of personnel as per schedule No. 28	7,500\$
2. Stationery	100\$

CLASS XV

DEFERRED LIST

1. Salaries	50,000\$
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CLASS XVI

SUBSIDIZED NAVIGATION

353,066\$000

1. Internal Navigation. A. Florita & Co. 170,000\$ paper of Pinheiro & Mosquito — Amazon Navigation Co. 200,000\$ paper	122,000\$
2. do " Santa Julia, ditto, 60,000\$ paper	20,000\$
3. do " Itaituba and Faro, ditto 60,000\$ paper	20,000\$
4. do " Soeira, ditto	20,000\$
5. do " Canaticu, Piria & Mottuca, — Amaro Maurício Marques (100,000\$ paper)	4,000\$
6. do " the coast of Maragão, ditto 220,000\$ paper	4,000\$
7. do " the Xingú and Jary, ditto 25,000\$	8,000\$
8. do " Chaves — A. Bernexad & Co. 36,000\$	12,000\$
9. do " Mararú and Baquiá, ditto, 24,000\$	8,000\$
10. do " Curuçá — A. L. Sobral	15,000\$
11. do " Cochocira and Monevras, ditto, 24,000\$	8,000\$
12. do " Laguna, upper Anajas and Mobeos — A. de Freitas & Co. 24,000\$	8,000\$
13. do " Tocantins — Companhia Fluvial Tocantins e Araguaia, 36,000\$	12,000\$
14. do " Guamá & Capim — Fernandes e Ferreira 11,500\$	3,500\$
15. do " Iguaçuimiry and Alto Mogi — Pinto e Filho, 9,000\$	3,000\$
16. do " from Oblobo to Cumiam — Antonio da Cunha Monte, 9,000\$	3,000\$
17. do " of upper Acará — Mendes & Correa, from Cametá on the inside as far as Balaio — José Garcia da Silva	6,000\$
18. do " Faro to upper Nhamundá	3,000\$
19. do " of Salgado — Companhia Costeira do Maranhão, 40,000\$	13,000\$
20. do " Atua e Aniljó	2,500\$
21. do " from Santarem to upper Tapajós — Franco & Cohen & Co.	2,000\$
22. do " of Jacundá, Anapú and Paço de Rodrigo dos Santos	4,500\$

CLASS XVII

SUBVENTIONS

201,131\$000

1. To the House of Mercy for the maintenance of Hospital	40,000\$
2. To the same for the construction of a new hospital 150,000\$	2,000\$
3. To the same for the maintenance of the leprosy hospital	27,000\$
4. Ditto for that of the lunatic asylum	27,000\$
5. To the insurance of public state officials (50,000\$)	10,000\$
6. To the Benjamin Constant Lyceum	6,000\$
7. To the same towards expense of the exposition	4,000\$
8. To the Orphanato Paraense	6,000\$
9. To the Santo Antonio Orphanage	3,000\$
10. To the Fine Arts Association	5,000\$
11. To 10 pensioners of the State, two at 400\$ and the rest at 1,333\$333	11,667\$
12. To the Paz theatre	5,000\$

CLASS XVIII

SUNDRY

1. Extra pay to sundry officials	3,500\$
2. To substitutes	10,000\$
3. Indemnities and restitutions	4,000\$
4. Publications	40,000\$
5. Public festivals ; including that of the 4th centenary of the discovery of Brazil	20,000\$
6. Eventualities	30,000\$

Given at the Palace of the Government of the State of Pará, April 15th, 1899. — José Paes de Carvalho.