

LONDON AND BRAZILIAN BANK LIMITED.

Capital..... £ 1,500,000
 Capital paid up..... " 750,000
 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
- NEW YORK

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

Established in Hamburg on 16th December, 1887 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 139)

Branch-offices in São Paulo and Santos.

(Caixa 520) (Caixa 185)

Draws on:

- GERMANY..... { Direction der Disconto Gesellschaft, Berlin } and cor-
 Norddeutsche Bank in Hamburg, Hamburg } respondents.
 M. A. von Rothschild
 Sohne, Frankfurt a M.
- ENGLAND..... { N. M. Rothschild & Sons, London-
 Direction der Disconto Gesellschaft,
 London.
 Manchester and Liverpool District
 Banking Company, Limited, London.
 Union Bank of London, Limited, London.
 Wm. Brandt's Sons & Co., London.
- FRANCE..... { Credit Lyonnais, Paris, and branches
 Heine & Co., Paris.
 Comptoir National d'Escompte de
 Paris, Paris.
 Lazard Frères & Co., Paris.
 De Neufville & Co., Paris.
- PORTUGAL..... { Banco Lisbon & Açores and corres-
 pondents,

and any other countries.

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

Theil-Gutschov.

Director.

THEODOR WILLE & Co.

SUCCESSORS OF

WILLE, SCHMILINSKY & C.

41 AND 43

Rua do General Camara

IMPORTERS AND EXPORTERS

Cable address:

WILLE — RIO

P. O. BOX.

N. 761

BANQUE FRANÇAISE DU BRÉSIL

Established in Paris on the 23rd. October 1896 by the Comptoir National d'Escompte de Paris, and the Société Générale pour favoriser le développement du Commerce et de l'Industrie en France

AUTHORIZED BY

Decree No. 1432 of 2nd January, 1897

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

HEAD OFFICE:

9 RUE LAFFITTE, Paris

Branch Office in Rio de Janeiro:

78, Rua da Quitandê

P. O. B. 58

Branches at S. Paulo and Santos

Draws on:

- PARIS AND FRANCE { 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
- LONDON..... { Union Bank of London, Limited.
 London Joint Stock Bank, Limited.
 Parr's Bank, Limited.
- GERMANY..... { Direction der Disconto Gesellschaft.
 Deutsche Bank, Berlin and branches.
 Dresdner Bank, Dresden and branches
 Norddeutsche Bank, Hamburg.
 Correspondents in all chief-cities.
- PORTUGAL..... { J. M. Fernandes Guimarães & Co.
 Porto and their Correspondents.
 Banco Commercial de Lisboa, Lisbon
- ITALY..... { Credito Italiano.

AND ANY OTHER COUNTRY

Opens accounts-current.

Pays interest for a certain time; executes orders for purchases and sales of stocks, shares etc., and transacts every description of banking business.

Leon Housset.

Inspecteur Général.

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, 1892

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 PAYSBANDU'

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- Banque de Paris et des Pays Bas.—PARIS.
- Banco de Portugal and agencies.—PORTUGAL.
- And on all the cities of Europe.

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- Farmers' Loan & Trust 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..... " 340,000

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:

The London Joint Stock Bank, Limited,

LONDON.

Messrs. Heine & Co.,

PARIS.

Messrs. J. Berenberg Gossler & Co.,

and correspondents in Germany,

HAMBURG.

Messrs. Roesti & 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 : Rs. 103.616:400\$000

N. B. This capital to be

reduced to Rs.100.000:000\$ in accordance with

Government's Decree of 8th May 1897.

Reserve Fund Rs. 17.480:078\$736

Profits in Suspense Rs. 11.157:639\$835

on 31st December 1899.

OFFICE IN RIO DE JANEIRO

9, rua da Alfandega

Agencies 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.
Comptoir National d'Escompte de Paris.

PARIS.

Commerz und Diskonto &c Bank in Hamburg

HAMBURG.

Banco de Portugal.

LISBON.

Opens accounts current:

Pays Interest on Deposits for fixed periods.

Executes orders for purchases and sales of stocks, shares etc, and transacts every description of banking business.

WILSON SONS & CO. (LIMITED)

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RIO DE JANEIRO

AGENTS OF THE

*Pacific Steam Navigation Company
Shaw, Savill & Albion Co., Ltd.
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The Howden Line of Steamers.*

Repairs to Ships and Machinery

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

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His Britannic Majesty's Government;
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The New Zealand Shipping Companies; &c.

Coal.— Large stocks of the best Cardiff steam Coal always kept in Rio depôt on Concoição Island.

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Oropesa May 9th.
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Orellana June 5th.

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

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Wilson, Sons & Co, Ltd. Agents.

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DE

Transports Maritimes à vapeur de Marseille

DEPARTURES OF STEAMERS

Aquitaine 10th May
Provence 17th "

for

Marseilles, Barcelona, Genoa, and Naples.

Through fares to Paris 1st class f. gold 673
do do 2nd f. 502
do do 3rd f. 199
Through fares to Paris return 1st class . . . f. 1.109
do do 2nd f. 882
do do 3rd f. 264
Marseilles, Genoa, Naples, 3rd class f. 150
Barcelona 3rd class f. 175

AGENTS—OREY, ANTUNES & C.

RIO DE JANEIRO. 10 Rua General Camara, 1º andar
S. PAULO. 15 RUA DO COMMERCIO
SANTOS. 65 RUA 15 DE NOVEMBRO

THE BRAZILIAN COAL COMPANY, LIMITED.

Representatives of

CORY BROTHERS & CO., L'D.
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Coal Depôts in all the principal ports of the world. A constant and fresh supply of Cory's Merthyr Seam coal always in Stock. Prompt delivery at reasonable prices.

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

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

TABLE OF DEPARTURES.

Date	Steamer	Destination
1901		
May 13	Danube Thames	Montevideo & Buenos Ayres, Bahia, Pernambuco, Lisbon, Vigo & Southampton.
" 27	Clyde	Montevideo & Buenos Ayres
" 29	Danube	Bahia, Pernambuco, Lisbon, Vigo, & Southampton.

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

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

C. J. Cazaly.

Superintendent.

NORDEUTSCHER LLOYD, BREMEN.

Capital . . . 80,000,000 Marks.

NEXT DEPARTURES

Date	Steamer	Destination
1901		
May, 20	Stolberg	Bahia, Antwerp, Rotterdam and Bremen.
" 24	Mainz	Bahia, Antwerp and Bremen.
June 7	Coblenz	Bahia, Antwerp, Rotterdam and Bremen.

Passengers & Cargo accepted

Passenger rates 1st-cl. 3rd-cl.
Rio—Antwerp, Rotterdam, Bremen 400 Marks £9
" —Lisbon..... 320 Marks Rs. 1405

For further information apply to

HERM, STOLTZ & CO., Agents.

Rua da Alfandega, No. 63 Rio de Janeiro

LA VELOCE

NAVIGAZIONE ITALIANA
DEPARTURES FOR GENOVA

Città di Genova. 16th May

For freights and other information apply to Luiz Campos.

81, Rua Primeiro de Março, 81

Lawyers

VISCONDE DE OURO PRETO

DR. AFFONSO GELSO

45, Rua do Bosario.

DR. RODRIGUES HORTA

DR. BARBOSA DA SILVA

RIO DE JANEIRO

LIVERPOOL BRAZIL AND RIVER PLATE STEAMERS

LAMPORT & HOLT LINE

PASSENGER SERVICE FOR NEW YORK

Buffon..... 1st June
Wardlaw..... 17th
Havelius..... 21st July

The steamer

"COLERIDGE"

Illuminated with electric light
is intended to sail on 17th May for

BAHIA, PERNAMBUCO, & NEW YORK

Taking 1st & 3rd class passengers for above ports
and also for

BARBADOS

Surgeon and Stewardess carried

The voyage is much quicker than by way of Eng-
land and without the inconvenience of transfer.

Weekly cargo steamers for NEW YORK

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Agents: **NORTON, MEGAW & Co. Ld.**

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HAMBURG-SÜDAMERIKANISCHE DAMPSCHIFFFAHRTS-GESELLSCHAFT

The German Steamer

RIO

Capt. FOHL

Expected to arrive from Santos on the 17th May
will leave on Saturday 17th at 10 am. for

Bahia, Lisbon, Rotterdam & Hamburg

All steamers of this Company are illuminated with
electric light and have splendid accommodation for 1st.
and 3rd. class passengers.

Free conveyance on board supplied for passengers
and luggage.

The Company issues 1st. class tickets to Paris, via
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For freight apply to the Broker.

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E. Johnston & Co.,

RUA DE S. PEDRO 62

Insurance

LONDON AND LANCASHIRE FIRE INSURANCE CO.

Capital (fully subscribed)..... £ 2,227,500
Reserve fund..... 676,355

Agents: **EDWARD ASHWORTH & Co.**

No. 50, Rua 10 de Março. *Rio de Janeiro.*
No. 21 A. Rua da Quitanda. *S. Paulo.*

THE MANCHESTER FIRE ASSURANCE Co.

Fire Insurance Capital..... 2,000,000
Reserve..... 754,282

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

18. ALFANDEGA 18.
RIO DE JANEIRO

THOMAS J. LIPTON

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

115, Rua da Quitanda.

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ALTO DA BOA VISTA

TIJUCA

This Hotel is situated about 1,500 feet above the Sea. It has
excellent accommodation for families and Travellers. The Alto da
Boa Vista is the most agreeable and picturesque in the suburbs of
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splendid views are all within walking distance.

Hot Cold and Douche Baths. Shady walk planted especially
for Picnic parties. TERMS MODERATE.

Trams leave Largo de S. Francisco in connection with the Ele-
ctric Bond to Hotel as follows.

6.29 a m 8.1, 9.33, 11.5, 12.37 pm. 2.9, 3.41. Exp. 4.4, 4.20.
5.13, 6.45, 8.17.

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"Glenleith"

"Liqueur"

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and

"Second to None"

are the best and purest
Spirits to be obtained in BRAZIL.

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COMPANHIA



NACIONAL

DE

NAVEGAÇÃO COSTEIRA

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The steamer

ITALY

will sail for BAHIA, PENEDO, MACEIO' & PERNAMBUCO, on 11th inst.
The steamer

ITAPERUNA

will sail for PARANAGUÁ, FLORIANOPOLIS, RIO GRANDE, PELOTAS
and PORTO ALEGRE

Saturday, 11th May.

Freight and parcels received through the Trapiche SILVINO
until day previous to sailing.

Valuables at the office, on the day of sailing, till 2 p. m.

No parcels of any description will be received at the Company's offices.

For passages and information apply to the office of

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PRINCE LINE Belmarço & Co. Agents.
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Santos.—
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The Brazilian Review

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 Rio de Janeiro, Crasley & C. Rua do Ouvidor 36.
 London, G. Street & C. 30 Cornhill.
 New York, S. Bernstein, 86 West Broadway.
 São Paulo, A. R. Dunlop, & Co. Rua da Quitanda 23.
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Mail Fixtures for the next 4 weeks

DATE OF SAILING	NAME	COMPANY	DESTINATION
FOR EUROPE & THE STATES			
May 5	<i>Arctur</i>	Messageries Maritimes	Bordeaux
7	<i>Capota</i>	P. S. N. C.	Liverpool
17	<i>Corbridge</i>	Lampart & Holt	New York
22	<i>Atandique</i>	Messageries Maritimes	Bordeaux
24	<i>Guaria</i>	P. S. N. C.	Liverpool
25	<i>Thames</i>	Royal Mail	Southampton
29	<i>Danubio</i>	do	do
June 1	<i>Buffon</i>	Lampart & Holt	New York
5	<i>La Plata</i>	Messageries Maritimes	Bordeaux
FOR THE RIVER PLATE AND PACIFIC			
May 22	<i>Danubio</i>	Mail Royal	River Plate

LATEST QUOTATIONS

Rio de Janeiro 90 d/s opening Bank Rate, May 7.	12 11/16d.
No. 7 New York type of coffee, May 6 per 10 kilos	4\$459
No. 7 New York type of coffee, May 6 Spot New York, per lb	6 1/4
No. 7 New York type of coffee, May 6 options New York, per lb	5.35
1879 4 1/2 per cent. Sterling bonds, May 6 London	75
1889 4 per cent Sterling bonds, May 6 London	70 1/3
1895 5 per cent Sterling bonds, May 6 London	84 1/2
Funding May 6 London	94 3/4
W. Minas. R'y bonds, May 6 London	82 1/4

MESSAGE OF THE PRESIDENT

DR. MANOEL FERRAZ DE CAMPOS SALLES

Presented on the occasion of the opening of the 2nd Session of the 4th Congress

May 3rd 1901

Gentlemen and Members of the National Congress:

Whilst obeying the injunction of the Constitution in submitting this document to your attention I beg to remind you that this is the last year of the actual presidential term.

Experience of what has been done already, no less than knowledge of our ability to realize what remains to be done, is the best possible proof how well founded was the confidence I felt in the execution of a programme, the chief feature of which lay in the combined and harmonious actions of all the organs of Government.

In order that these principles should yield advantages, that with all its illusions the monarchy could never attain, all that was required was to weld together in community of aim and interest Republicans of every kind and to allow sentiments of fraternity full play.

To this conception of policy is due the change from sterile agitation to calm and profitable effort that, in scarcely half the allotted time, has secured results that were judged by many to be impossible within the short period of four years that limits the presidential term. To the realisation of the far stretching designs of such a policy the action of Congress has powerfully contributed.

Into its unbiassed judgment there could and can never penetrate idea of any absurd rivalry, because it would be incompatible with the fundamental principle of the scheme that so wisely proscribed the very idea of supremacy between the legislative and administrative powers by disallowing the prerogative of dissolution on the one hand and of dismissal on the other.

Although the causes that, under the old and radically different regime stimulated parliamentary struggles and encouraged rivalry are now extinct, there is nothing to prevent any moral factors, of whatever political complexion, from cooperating in times of crisis for the common weal.

What we must strive for is to cease to search for dangers that do not exist and persevere in the course we are following, whilst tranquilly maintaining the policy of labour and concord in order to enjoy the fruit of that abnegation which the Republic demands from all her citizens.

In the midst of a period of unusual administrative activity, I now repeat, that for the expansion of the progressive elements of this country all that is required is government.

By that I mean a power able to exercise its functions inflexibly and peaceably, superior to factious agitation and inaccessible to base motives.

At the present moment the obstacles to be overcome exact rather the judicious and methodical foresight of the Statesman than the exclusive and dispersive action of political agitation. In such terms, but with feelings of infinitely greater responsibility, I now but confirm the principles I held and maintained since the foundation of the new regime; and it is in them that I discern the broad road that must be travelled to place the Republic beyond all possibility of attack, safe in the esteem of the people and strong in the sincerity and honesty of our convictions.

FOREIGN AFFAIRS

Relations with foreign Powers are friendly and Government has endeavoured to develop and make them more cordial by every means in its power.

In October of last year I had the satisfaction of repaying the flattering visit of H. E. the President of the Argentine Republic, Gen Julio A. Roca. It is with feelings of the greatest satisfaction that I record the significant and splendid manifestation of affection and friendship with which I was received in the neighbouring Republic, where both People and Government vied with each other in doing honour to Brazil in the person of its first magistrate.

Acts of courtesy like these, which afford opportunities for the exchange of hospitality and friendly sentiments, cannot but exercise a salutary influence upon both peoples and on questions of international politics, from which under the powerful patronage of the Great-Powers, has emerged a generous desire for universal peace.

On leaving the Argentine Republic with the most lively impressions of the splendid festivities celebrated by a friendly people in honor of our country, I expressed to their illustrious President my imperishable gratitude for the affectionate reception and noble hospitality with which I had been received in the character of the supreme magistrate of my country.

The Brazilian Nation has good reasons to register with pride on the brightest pages of the history of its foreign relations this great event, so intimately expressive of the drawing together in friendly affinity two countries that already esteemed one another, to the glory of Peace and of Justice and Civilization.

In retribution of the courtesies of which the Brazilian Republic has been the object, I directed the iron-clad *Florianópolis* to proceed to ports in Italy, Portugal, Germany and England and that the trainingship *Benjamin Constant*, whilst on a voyage of instruction should visit the United States of North America, and entrusted them with the mission of expressing my thanks to the several Governments for their visit to this port on the occasion of my investiture as President of the Republic on the 15th November 1898, for which significant expression of sympathy we cannot be too grateful.

Amongst the countries with which we maintain close relations, two, Great Britain and Italy, have experienced painful losses by the death of their respective sovereigns Her Gracious Majesty Queen Victoria and His Majesty Humberto I, both of whom, by their eminent virtues, commanded universal respect and sympathy. Both the Brazilian Government and People sincerely lament the sorrow of both these Nations.

The dispute regarding the frontier with French Guayana was decided, as you know, with the impartiality that characterizes the Swiss Federal Council and so honours the high officials to whom the study of the question was entrusted. The decision of the arbitrators, that put an end to a dispute that had lasted for centuries, will not only powerfully contribute to the preservation of friendly relations with France, but is also of the highest importance, in so far as it encourages confidence in the principles of arbitration. The government of France immediately accepted the decision, in accordance with which the disputed territory has been handed over to Brazilian jurisdiction.

During the period of arbitration a mixed commission was charged with the survey of the rivers and maintenance of order. Between the two commissions there was from the first a perfect understanding, so that the action of the arbiters was not impeded by any incident compromising the relations of the two Governments.

The French Commission has returned to Cayenne whilst the Brazilian has been dissolved. Another will be organised as soon as the two Governments resolve on marking out the frontier.

The revolution in the Acre has ceased. The revolutionists have submitted and been amnestied by Bolivia. It is to be hoped that peace will be permanent.

I am happy to inform you that H. H. Leon XIII has raised his legation here and reestablished the former *ambasciata*, this dignity having been conferred on the Apostolic Internuncio as Envoy Extraordinary, Monsignor Macchi.

HOME AFFAIRS

Order has been maintained unaltered throughout the Republic.

DUALISM

Law, 28 of the 8th January 1892 having been repealed by that of 2nd, December 1895, the only measure now subsisting besides the Constitutional precept forbidding accumulation of remunerated appointments, is law 44B of 2nd June 1892, by which the rights acquired by irremovable officials and pensioners was guaranteed and the simultaneous appointment

to more than one post was permitted, provided that they were of the same nature, professional, scientific or technical.

This has given rise to misinterpretation, abuses and claims that Congress would do well to rectify by defining in an explicit manner which are the posts unaffected by the Constitutional clause alluded to and proscribing accumulation of salaries.

PUBLIC HEALTH

During 1900 a new Epidemic appeared amongst us on the 18th April, three cases of the bubonic plague having been recognized by bacteriological analysis. The enquiry that followed decided that the plague had been introduced in the luggage of immigrants arrived from Portugal, at that time suffering from the same disease. The energy, however, with which it was attacked by the Board of Health effectually prevented it from spreading and many days passed without a second case being verified; but during the month of May two more cases were recognized.

Following our invariable rule of perfect frankness in the administration of affairs, Government did not hesitate to declare the existence of the plague in this city in spite of the loss and worry that the consequent sanitary measures would involve.

To allay somewhat their effects it was determined that vessels leaving this port should only be subject to disinfection at the lazaretto at Ilha Grande, but the demands of many of the States, founded on their not being prepared to combat the disease, that quarantine should be imposed were so frequent and urgent that Government was obliged to give way. Nevertheless general interests demand that quarantine shall be abolished. Moreover, they have lost their old importance now that all the world is absorbed in commerce and interested in evading such restrictions. What is wanted is to make our cities healthy and unfit for the dissemination of disease; to organise a national sanitary service with a competent staff and fitting machinery; to unify sanitary methods all over the Union by the adoption of a federal Sanitary code modelled on local practices, seeing that the Constitution stands in the way of the centralisation of sanitary service.

These measures are urgent and will, I trust, merit full attention from Congress.

In spite of the many deficiencies of the city of Rio de Janeiro from a sanitary point of view and the belief that the plague would strike deep roots, the plague only lasted four months, from June to September, after which until February merely sporadic cases were noted.

EDUCATION

By decree 3,890 of 1st, January was promulgated the law approving the code applicable to Higher and Secondary Education dependent on the Ministries of Justice and the Interior. The former code of 3 December 1892 ruled in all the Faculties and Higher Schools; but posterior Acts of Congress and the Executive had in vital respects detached from its action the Faculties of Law, and School of Mines, besides the reform of the Faculties of Medicine in 1893 and that of the Polytechnic School in 1895 having, in their turn, virtually cancelled many of the regulations to which they were formerly subject.

Thus mutilated and restricted to a mere fraction of the vast and complex organisation of the teaching body, the Code of 1892 ceased any longer to be a consolidation of the dispositions ruling establishments of this kind.

There was, however, no reason why school discipline should be subject to different regulations in different localities, but a distinct advantage in consolidating and unifying them all in a single code. Under this impression, Congress already authorized the Executive, by law 652 of 23 November 1899 to revise the regulations of the Faculties of Medicine and Polytechnic School, and to adopt whatever measures seemed convenient to secure good teaching. This authorization was extended by law 746 of 29th December last year to all the different faculties and corporations with powers to revise and restrict, if necessary their respective regulations.

This is what has been done; and in the Report of the Minister of Justice and Interior will be found particulars of the

alterations introduced into the new Code. On this subject it only remains for me to state that I believe the reform will be of real and lasting advantage to the cause of Education.

THE CIVIL CODE

Carrying out the intention I expressed in my last message, in November last, I had the honor of submitting to your elevated judgment the project of a Civil Code elaborated by Dr. Clovis Bevilacqua, professor of the Faculty of Law at Pernambuco, previously revised by a commission of juriconsults under the direction of the Minister of Justice himself.

In this meritorious work, that has received the applause of many eminent jurists, national and foreign, the author endeavoured to harmonize traditions of national law with the advances of legal science, and the work now only awaits your approval to become law and thus realize the aspirations and efforts of a century.

The old Code (*Código das Ordenações Philippinas*), however complete and foreseeing it may have been at the date of its promulgation, could no longer serve to interpret modern sentiments or to regulate interests of to-day. On the other hand the constant legislation intended to correct these deficiencies has given rise in our civil law to a state of uncertainty and anarchy claiming prompt and efficacious remedy.

The approval of this project in the form it has been presented, or with whatever modifications or improvements your judgment may suggest, will put a close to this state of uncertainty and vacillation and impress upon Brazilian Civil law the unity of views, simplicity and energy that fortify law and make it lasting and fruitful. I trust that the present session will not close without the Civil Code having been sanctioned by legislative authority.

JUSTICE

There is no doubt that professional opinion is in favour of reform of the actual organisation of the magistracy of the Capital.

Elaborated by myself at the moment of a radical transformation of our institutions, my chief aim then was to give judicial organisation a character in harmony with new institutions. The reform did indeed radically modify the system then in force, but seems to have gone somewhat too far and to have provoked, in consequence, agitation in favour of a modified return to former methods. On a previous occasion I called your attention to this subject and now do so again in the hope that you will carefully examine the proposals of reform mentioned in that message.

THE POLICE

As I said in my last message the organisation of the police of the Capital is insufficient for the task confided to it.

All the dependencies of the Central Station require to be radically altered and their resources to be made adequate to the services demanded of them.

The Police have been everywhere an object of the greatest solicitude to Governments, and it is a matter of regret that amongst us the police are still unprovided with the elements essential to success in such a city as Rio de Janeiro, that, in consequence of its large area and population, requires special conditions to guarantee order and safety.

The last attempt at reform, moulded within the narrow limits of an authorisation of the legislature, has not given good results.

Street-policing is on a most unsatisfactory footing. The police brigade has not men sufficient to do it properly, even with the increase voted last session of 400 more.

To private enterprise, by which a night guard has been organised, it is undoubtedly due that the insufficiency of the regular force has not been more felt.

But even so, it is insufficient and, moreover, is not entirely under official control.

The creation of a civil force under official orders would, unquestionably, be of the greatest assistance to the Brigade and materially improve the service and aid in maintaining order. I, therefore, beg your special attention to this most im-

portant matter and that you will adopt the measures necessary to give the police an organisation adequate to requirements.

CORRECTIONAL PRISONS

In addition to the difficulties already pointed out there are others that equally impede and becloud the action of the police in its task of purging the Capital of the dangerous elements constantly recruited by new arrivals both from other States and from outside, always difficult, and under existing conditions impracticable.

The spectacle presented by innumerable vagabond children and shameless professional mendicity in the very centre of this City must, however, continue to offend our civilization until energetic repressive measures be adopted by the authorities.

Common prisons are neither suitable for such cases nor are they recommended by experience but should be treated in establishments for the correction of offenders by teaching them to work either on farms or in some manufacture. Much could, no doubt, be done in this direction by founding an industrial prison for minors under 17 years in this city and a penal agricultural and industrial settlement for those over that age, whilst taking measures for the expulsion of foreign criminals. But neither this last nor power of committal can be subject to the delays of previous judicial authorisation without seriously prejudicing its utility.

THE NAVY

The reorganisation of the Navy forms one of the chief anxieties of the Government, not only as regards the necessity of renewing its material but as regards instruction of the *personnel*. Something has been already done in each sense, especially as regards the ships themselves, in consequence of which Government, happily, now possesses powerful means of action that were lacking before. It is, however, necessary to acquire fresh elements to consolidate our naval forces; which, fortunately, the reorganisation already effected in our finances, will permit at a not distant date as necessity arises.

With the object of affording practical instruction to junior officers the Government has endeavoured to keep the fleet actively employed in surveys and other operations. With the same aim the training ship *Benjamin Constant* was despatched on a voyage of instruction to the United States of North America, whence on the way home it will proceed to some European ports. This is the first of such voyages, so useful to our navy, since their suspension now several years ago.

The personnel and material of the federal authorities at different ports (*capitanias*) is deficient and requires to be augmented because on this department are dependent important interests of both the Treasury and of Commerce.

The appropriation of the last budget for Lifeboat Service should be maintained for some years until every port of the Union is fully equipped.

THE ARMY

From the report of the Minister of War you will understand how urgent is the necessity of founding a penal military school to which I have previously called your attention. The present system, under which the Navy penal code was extended to the Army, is necessarily of a provisional character and does not consult the requirements of strict justice. It will be, therefore, advisable to put the project already submitted to you into execution, as also the new regulations to rule military schools and colleges, by which theoretical shall be fortified by practical instruction.

The creation of preparatory courses at the different centres without increase of the teaching staff will greatly improve the condition of privates who wish to learn and prepare for matriculation for higher courses without neglect of their regular duties.

The number of the forces is maintained on the same footing as last year, in view of the circumstances that determined last year's reduction being still in existence. Nevertheless nothing should be neglected to secure military organisation being as complete as possible so that, if small, the army shall serve as an effective and highly instructed nucleus for extension when requisite.

In my last message I referred to the work of Army reorganisation, since then complete, which is of the greatest importance as you will understand from the particulars which will be shortly presented.

Our own politico-military conditions represent a factor that should be carefully weighed when considering the adaptation of our small army of the methods adopted by great Powers for much larger forces; nor could the geographical and topographical configuration of the Country, the description and extent of the lines of communication to be maintained, and agricultural character of our occupations escape the consideration of Government. So, whilst resisting suggestions to introduce into this country the improvements judged indispensable in military States on which the condition of armed peace imposes most burdensome sacrifices, it has fortunately proved practical to do all that was requisite without injury to the finances of the country. As you will see the plan adopted embraces not only the regular army but the reserves, proposing as a complementary measure the revision of the laws affecting promotion and retirement. Another matter that has engaged my serious attention is the collection of coast fortifications. I have taken steps to push forward defensive works in the bay of the Capital as far as the resources of ordinary revenue will permit. Of the protected harbours intended for the defence of the bay, two are completely mortared and ready to work at Imbuhy point, whilst that on large island only needs the completion of the masonry to be put into place. Powerful as they are these towers cannot be regarded as sufficient protection for the entrance to the bay.

In addition to the older forts, which have been put into condition to prevent access to the inner anchorage, it is advisable to complete the plan that has been adopted with the construction of a fort similar to that at Copacabana point.

The deficiencies of our lines of internal communications of strategic value are an impediment to the rapid concentration of forces in case of an attack on the frontier. To remedy this, trunk lines should be constructed to connect on a certain point, in which the army itself might be advantageously employed as is done in other countries. With this object the Institution of Engineers will shortly commence the construction of a line of railway that starting from Guarapiranga will connect the railways of the State of Paraná with Matto Grosso.

RAILWAYS AND PORTS

In execution of its railway policy, Government endeavoured to lease the "Sul de Pernambuco" and "St. Paul Alfonso" Railways, but failed to receive any adequate offers.

The operation by which the Bahia and St. Francisco and the Recife to St. Francisco railways will be transferred to the English on 1st July next has involved a revision of the lease of the "Sul de Pernambuco" Railway. No better opportunity could be found for the completion of the lines intended to connect the States of Pernambuco, Bahia and Rio Grande do Norte, with any possibility of dealing with them in conformity with the wishes of the holders of private lands.

On the Central of Brazil Railway the reduced tolls still in force. The notable improvement of exchange since June last year facilitated a reduction of 10% in the three most important classes of the tariff. Commerce has thereby benefited to the extent of 10% on the normal rate.

Naturally, the reduction of coffee rates must affect the revenue of the Railway, but with the object of mitigating the severe agricultural crisis, Government resolved to admit a reduction of 25% for hulled coffee, 30% for coffee in the berry and to fix a maximum rate of 18000 per arroba, irrespective of distance.

At the same time the Government negotiated an agreement with the Leopoldina Railway Co, in virtue of which its maximum rate will be fixed at 15500 per arroba. This action of the Government shows how really solicitous it has always been in such matters, although rather of a private than public nature.

When referring to this matter in my last message, I said that "it was to the interest of the Railways to do all they could for a product from which the greater part of revenue and profits was drawn". Certainly this is not the only remedy, but

for the moment it is the most prompt and most efficacious. The powers of intervention by the Federal Government with regard to exports allowed by the Constitution are very limited, but feeling that this commerce must always constitute the true strength of the Country, the Government have spared and will spare no effort to further such interests.

Abroad, Government has used its influence to remove the restrictions that embarrassed consumption and intends to persist in this policy. Other and more energetic measures might, however, be undertaken by the Governments of the different interested States and, especially, by private parties. Secure in the possession of better elements for success than any of our competitors, let us never despair but resolutely face the issues.

MINING

Mining industry received a great impulse last year, particularly in the State of Minas Geraes, in consequence of the reduction of freights by the Central Brazil Railway for transport of manganese and other ores. As I observed in my last message, a law is urgently required for the regulation of mining rights in accordance with Art. 72 par 17 of the Constitution.

PORTS

The improved condition of the port of Santos subsequent to the construction of Docks and supplementary works unmistakably demonstrates the advantages of such accommodation. That port is already reaping great benefits from the improvement, freights being lower than at this Capital, which should stimulate the construction of similar works at other ports. In the realisation of such useful works Government takes a keen interest and is ready to do all in its power to forward them.

THE DROUGHT IN CEARÁ

Again some of the Northern States and especially Ceará have been again visited by this terrible calamity. Government did all in its power to assist by immediately granting free passages to all who chose to emigrate to any other State. Fortunately abundant rain soon after fell, thus saving the Treasury from further expenditure.

THE CENSUS

In obedience to a stipulation of the Constitution the Government ordered a general census of the Republic to be taken on December 31st 1900.

There are reasons to believe that the results of this census were deficient, probably in consequence of the reluctance on the part of the public to supply the necessary details. Consequently Government has decided to cancel it altogether.

FINANCE

The general aspect of the country was extremely encouraging, whether from the view of the rise of foreign exchange, the real improvement of finances or the revival of confidence, home and foreign, when the suspension of payments by the Bank of the Republic in September of last year occurred, bringing in its train serious embarrassments to Commerce in this Capital, which reveted in many other markets.

In consideration of the long connection even then not entirely severed between the Government and the Bank, the Government believed it to be impossible to preserve an entirely indifferent attitude in face of so grave an event. If in the judgement of the Government itself the position was grave, it was further infinitely aggravated by the vicious influence of our social medium, accustomed to invariably look-to and exact assistance from Government, and to attribute all its own failures to lack of foresight on its part. The duty of Government, however, was in this case to discover the most just and prudent course to prevent the important interests, compromised in the failure, from total loss without compromising the interests of the Nation.

Desiring to prevent entire suspension of payments, and in response to repeated requests of the Directors of the Bank, Government undertook to advance £ 600,000 in the month of June and £ 300,000 more at the beginning of September, as authorised by the law of 29th. July 1899, in addition to

10,000,000\$ in Treasury bills that had been deposited in the month of February in current account to fortify the Bank's cash; not even so could the crisis be conjured, and so suspension of payments supervened with consequences now known to everyone.

On a similar occasion, in 1864, the Imperial Government not only decreed a general moratorium in addition to other exceptional measures, but authorised the Bank of Brazil to increase its issue to a figure three times greater than its cash.

In spite of all, these measures, which, by their very nature engendered the germs of still graver and more wide-spread evils, were impotent to stop the crisis, restore confidence, prevent securities from falling, or business from being paralyzed or even to maintain quotations or prevent failures with all their ruinous consequences. In the crises of 1875 originated the law of 29 May 1875 authorising Government to make use of the issues of paper-currency, the pernicious influence of which is still evident in the disorder of the national currency.

The successive issues from March 1892 to June 1898 made under the authorisation of this law, now fortunately revoked, and for the assistance of the Bank of the Republic, summed up to 170,956,000\$, which, with the notes issued in substitution of the "bonus" (bonds of the Bank of the Republic) in 1896 to the value of 79,933,298\$, made up the total of 250,955,298\$ that, to attend to the pretended necessities of the Bank, had been added to the circulation in the short space of six years.

Against such demons, the legacy of the accumulated abuses of other epochs, the Government of the Republic, on occasion of this crisis, had to rally all its elements of resistance in order to avoid a crisis that would have involved the Treasury itself.

Under the pressure of such apprehensions and at a moment when it was impossible to foresee the precise outcome of the crisis, opinion set steadily in favour of fresh and unlimited emission of paper money, estimated by the Directors of the Bank themselves at at least 50,000,000\$ to commence with, that under the pressure of the market's necessities and desires would have grown, inevitably, with their demands.

Although aware how difficult it was to break entirely with the unhappy traditions of the past, government did not hesitate for a moment to declare its unalterable resolution not to increase by a single note the paper money in circulation. Such was the resolution imposed at once by the clauses of the contract, by the obedience due to the express stipulation of the law and by honest adherence to principles adopted as the rule of my Government.

With this in view, the Government confined its action to the measures embodied in the two laws voted by Congress on the 29th September and 10th October, respectively. The first authorised a loan of Rs. 100,000\$ to the Banco da Republica in account current and, with this object, to emit 2% bonds, to order or to bearer, for payment of the creditors of the Bank, and to lend to the Bank in account current Rs. 24,000,000\$ and, finally, to take over the management of the Bank until final withdrawal of these bonds by the realisation of assets. Whilst the second granted favours of a legal description to other national Banks.

By these measures tranquillity was restored and, taking advantage of this calm, the Banks were able to regularise their position in such a manner as to reduce their liabilities as much as possible. Thanks to the efficacy of the measures adopted and to the promptitude with which they were put in execution, it can be now predicted that the recent crisis will be surmounted without any such serious disaster as was experienced on previous occasions. The law of 29th September determined that the withdrawal of the bonds issued by its authority should be at the rate of 20% per annum, so that for the total issue being 114,355,000\$, the annual withdrawal should be 23,000,000\$.

The Bank, however, recommenced business in November and up to 31st March (that is in only four months) called in bonds to the large sum of 33,941,400\$, a fact that certainly encourages the hope that in a much shorter time than that cogitated in the law this laborious liquidation will be finished and the Treasury freed from all responsibility without any of the disasters so freely foretold.

In my previous message, whilst even then expressing confidence in the improved aspect of finances, I ventured to predict that the Treasury would be duly prepared to punctually meet all its obligations at the expiration of the contract with its foreign creditors in London and return to regular specie payments. Such predictions, well founded as they were sufficed it is true to encourage the timid but were, even so, insufficient to convince the incredulity of others who ranked the country amongst those with finances irretrievably mined. We have, however, nearly reached the close of the term and it is with the liveliest satisfaction that I now give you the welcome news that the Government, thanks to your wise and prudent measures and to the patriotism of our countrymen, will not be placed under the painful necessity of again begging the indulgence of our foreign creditors.

The country is now fully prepared to return to the normal condition of specie payments.

The total amount to be paid from 1st July until the end of the present financial year is £1,700,000 and by that date (1st July) Government will have at its disposal in London the sum of £2,000,000. There will, therefore, be a surplus of £300,000. Adding to this £1,800,000, the lowest estimated product of the gold duties, there will be a total balance of £2,100,000 to carry forward to 1902.

Under such circumstances it is clear that the Treasury, relieved of immediate pressure, can experience no difficulty in maintaining payments regularly in future. Besides according to the system adopted, which constitutes one of the most useful reforms of the present administration, the double budget provides for each separate item of expenditure an equivalent revenue in the same kind of money, thus constituting a mechanism by which all the gold required for uninterrupted payments is secured. This mechanism, the basis of which is the collection in gold of 25% of the Custom House duties, in the way it has been organised, will make the Treasury completely independent of exchange fluctuations, which, in the past have been the cause of all the financial disequilibrium that devoured the revenues of the Nation.

That this is really so is easy to prove. The annual payments to be made in gold including the interest on the debt and guaranteed interest, amount in all to £3,357,163. Now the revenue corresponding to 20% payable in gold exclusive of the extra 5% assigned to a special object — the Fund to guarantee the note circulation — is, calculated for the present financial year at 36,000,000\$ equivalent to £4,050,000, an amount obviously more than sufficient to meet all requirements during the coming year without reckoning the balance of £2,100,000 above referred to. Such is the guarantee that specie payments will be maintained.

In a word the Republic is faithfully carrying out its obligations and there is every reason for satisfaction at so eminent an example of its vitality and moral stamina.

Fortunately pessimistic prophecies that foretold a great shrinkage of revenue were not verified.

The Revenue derived from imports reached 23,850,000\$ Gold and 136,616,000\$ paper. The total custom house revenue reached 23,304,598\$ Gold and 162,708,233\$ paper «Consumption» taxes, which in 1898 produced 11,548,177\$ and in 1899 reached 24,030,000\$, increased in 1900 to 38,120,000\$000.

The stamp duties which in 1899 produced 9,088,000\$, reached in 1900 15,020,000\$000.

Internal Revenue which in 1899 was 78,000,000\$ paper, reached in 1900 81,770,000\$, and the Extraordinary or Sundry Revenue, which, in 1899, yielded 17,342,000\$, in 1900 produced 21,654,000\$.

The total revenue of the Union, according to information supplied by the Treasury, amounted to 281,217,000\$ paper. If to this amount be added the balance corresponding to the past financial year, recoverable during the additional six months, which at a low estimate will give 3,000,000\$ as against former estimates of 11,561,000\$, Revenue in paper will amount in all to 289,217,000\$.

Gold revenue recovered at the Custom Houses was 23,303,598\$, which, with that of other origin, produced 27,277,000\$ in all.

Comparing the paper moiety of revenue of 1900 with that of 1899 the following results are obtained.

	1899	1900
Imports.....	136,616:000\$000	181,529,000\$000
Consumption.....	38,120:000\$000	24,930:000\$000
Inland Revenue.....	81,770:000\$000	78,000:000\$000
Sundry.....	21,654:000\$000	17,342:000\$000

Comparison of Import Revenue shows a shrinkage compared with 1899 of 41,913,000\$, due not so much to decrease of imports as to the anticipation of imports in November and December last in order to evade the increase of the percentage payable in gold that came into force in January.

Comparison of other items of revenue show, moreover, a notable increase in every case but principally in Consumption taxes, in consequence of which the aggregate increase of 29,672,000\$ neutralizes to a large extent the shrinkage of import revenue, reducing the total difference of the revenue collected in paper to 21,241,000\$.

Comparing the revenue paid in gold it will be found to have given 27,277,000\$ in 1900 as against 19,417,500\$ in 1899, the difference in favour of 1900 being 7,859,500\$ gold, that, reduced to paper at 9 1/2 d., gives 27,279,000\$ or 1,001,500\$ in excess of the deficit in the moiety collected in paper.

Consequently, the shrinkage of import revenue in 1900, consequent on the anticipation of imports in December, was entirely counterbalanced by the increase of other descriptions of revenue payable both in paper and gold.

If the surplus estimated in the budget for 1900 be now compared with the reality, it will be found that gold receipts were estimated at 28,318,000\$ and expenditure at 30,914,000\$ and the surplus, consequently, at 19,834,000\$.

The Revenue perceived in gold amounted to 27,277,000\$ whilst expenditure in this specie will not exceed 10,000,000\$ including special credits. There was consequently a balance of 17,277,000\$000.

Receipts in paper were estimated at 314,418,000\$, Expenditure at 267,109,000\$ and the Surplus, consequently, at 47,309,000\$.

Actual receipts, as has been already shown, will reach 284,217,000\$, and Expenditure 238,877,000\$, including 21,877,000\$, for special credits opened during the fiscal year, and the surplus consequently will amount to 24,340,000\$.

The difference of 2,957,000\$ gold between the estimated surplus and the real originated principally in special credits opened to the amount of 1,638,445\$ gold.

The difference of 20,960,000\$ paper between the estimated and real surplus is owing partly to the fact of the failure to issue 20,000,000\$ in nickel coin and partly to special credits having been opened chiefly in payment of debts of previous years.

In spite of all these extraordinary expenses, however, by reducing expenditure and improved methods of collection the following surpluses were secured.

In Paper	20,341,000\$000
gold	17,277,000\$000
Or reduced all to paper at 9 1/2 d.	60,228,000\$000

As regards the current fiscal year incomplete as the details yet are, it is known that the yield of the currency portion of import duties during the quarter exceeded by over 2,000,000\$ that of the corresponding period last year; whilst the portion received in gold reached 8,006,000\$ as compared with only 4,514,000\$ in 1900.

Consumption taxes yielded from January to March over 8,600,000\$ whilst Inland Revenue reached over 18,000,000\$.

With these elements it will scarcely be optimistic to anticipate that the revenue for the whole fiscal year will exceed that of last year.

GENTLEMEN AND MEMBERS OF THE NATIONAL CONGRESS

The particulars I have laid before you prove that whilst preparing to honour our engagements we have succeeded in also banishing deficits from our estimates and have consolidated the situation of the Treasury on the solid basis of surplus revenue.

Besides, it is satisfactory to observe the continuous and certain valorisation of the circulating medium thanks to the perseverance in the policy of withdrawal of paper money, the accumulation of a reserve to serve as guarantee of the currency fund, and, last but not least, to the growing confidence that an honest and economical administration has inspired.

The debts accumulated in previous years have been greatly reduced, and those originating in indemnisations, judicial sentences, or rescision of old and burdensome contracts amounting to thousands of contos have been finally liquidated; all current obligations are paid up to date; whilst not a single Treasury bill exists in circulation.

Such is the situation of the Administration to day.

The Federal Capital, 3 May 1901.

M. Ferraz de Campos Sales
President of the Republic

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Notes

The Message of which we give a full translation speaks for itself. Modest but confident in tone it is a document that would honour any administration and is the best justification of confidence in the intention and ability of the Government to carry through the arduous task they undertook but three years ago. The heat and the burden of the day is now past, but there is yet much to be done before victory can be sung, and for the doing of it, which will fall to other executives, the best wish we can express is that they will prove as tenacious under difficulties, conciliating and conscientious as the administration that will next year complete its term of office with duty nobly done!

CUSTOMS REVENUE FOR THE FIRST QUARTER: JANUARY - MARCH 1900 & 1901

	CENTRAL STATES		SOUTHERN STATES		NORTH EASTERN STATES		NORTHERN STATES		AMAZON STATES		Total of all foregoing States		Inc. or Dec. %
	1901	1900	1901	1900	1901	1900	1901	1900	1901	1900	1901	1900	
Import duties collected in Gold	1,501,492.58	1,927,335.88	618,484.88	482,477.88	1,051,577.88	881,777.88	242,417.88	233,846.88	927,476.88	830,092.88	7,916,740.88	1,167,278.88	
Maritime dues	11,558.88	11,921.88	5,215.88	5,115.88	48,777.88	39,777.88	2,400.88	2,348.88	15,358.88	16,831.88	446,617.88	1,902,665.88	
Total collected in Gold	1,513,051.46	1,939,257.76	623,700.76	487,593.76	1,100,355.76	921,555.76	244,818.76	236,195.76	942,835.76	846,924.76	8,363,358.76	1,516,944.76	+ 78.5
Equivalent at average exchange in Currency	11,424,956.88	6,826,689.88	4,567,338.88	1,601,911.88	4,789,315.88	3,750,249.88	61,426.88	61,426.88	2,368,416.88	3,416,811.88	20,272,658.88	15,666,449.88	+ 29.2
Labour duties collected in Currency	45,158,442.88	11,553,666.88	2,281,215.88	2,898,496.88	6,306,886.88	5,233,627.88	928,286.88	4,409,028.88	3,551,294.88	5,383,566.88	28,520,499.88	26,558,067.88	+ 7.5
Shipping dues	372.88	178.88	1,058.88	947.88	258.88	922.88	318.88	318.88	468.88	508.88	2,319.88	2,888.88	+ 1
SURCHARGES	20,881,789.88	18,380,789.88	3,849,688.88	1,591,085.88	10,587,926.88	8,471,806.88	4,512,566.88	2,220,183.88	5,322,537.88	5,530,948.88	48,781,476.88	42,207,008.88	+ 15.6
INLAND REVENUE	20,461.88	27,078.88	2,067.88	4,348.88	9,551.88	6,877.88	1,125.88	928.88	3,096.88	3,418.88	36,247.88	39,668.88	+ 8.6
EXCISE OR CONSUMPTION DUES	218,318.88	240,588.88	511,718.88	211,488.88	703,003.88	543,403.88	77,458.88	78,818.88	572,520.88	403,927.88	2,421,712.88	1,412,873.88	+ 71.0
SUNDRY REVENUE	1,011,416.88	1,061,478.88	820,458.88	661,048.88	301,908.88	4,581,818.88	151,478.88	220,570.88	283,692.88	160,494.88	3,570,247.88	3,695,642.88	+ 0.4
Total	28,740,294.88	19,766,778.88	5,403,418.88	3,567,806.88	12,307,302.88	10,247,319.88	4,777,378.88	2,554,856.88	6,791,284.88	9,121,372.88	54,630,391.88	47,507,800.88	+ 15.44
DEPOSITS	20,019,715.88	20,060,294.88	5,299,288.88	5,865,451.88	12,330,071.88	10,301,336.88	4,786,496.88	2,517,987.88	6,837,776.88	9,701,601.88	55,337,384.88	48,180,729.88	+ 31.4
INC. OR DEC. %	+ 11.5		+ 0.6		+ 20.3		+ 20.8		+ 20.3		+ 20.3		+ 41.2
TOTAL COLLECTED IN GOLD	1,513,051.46	1,939,257.76	623,700.76	487,593.76	1,100,355.76	921,555.76	244,818.76	236,195.76	942,835.76	846,924.76	8,363,358.76	4,516,944.76	
" " PAVER.	11,558.88	11,921.88	5,215.88	5,115.88	48,777.88	39,777.88	2,400.88	2,348.88	15,358.88	16,831.88	446,617.88	32,814,476.88	

CUSTOMS REVENUE
(First Quarter of 1901)

The Revenue collected in gold during the quarter ended March 31st shows an advance of 3,546,335\$, equivalent to 78% compared with that of the corresponding period of 1900; whilst that collected in currency shows an increase of 2,290,555\$ or only 6.9%. The much higher rate of increase of the gold moiety of revenue is accounted for partly by the collection of 25% in lieu of 15% in this specie, equivalent to an advance of 67%, and the rest to a real improvement.

If the gold moiety of revenue be reduced to currency at the average rate of exchange for the quarter, it will be found that there has been a net increase of 9,876,994\$, equivalent to 14.2%, compared with 1900.

The branches of revenue which show an increase are Import duties, which inclusive of surcharges are 15.5% greater than in 1900, and Inland Revenue, which increased 47%. All the other items show a shrinkage, Shipping dues having diminished 19%. Consumption taxes 0.1%. Sundry Revenue 16.%, and Deposits 31.4%. The increase of Import Revenue should not, however, be attributed entirely to the growth of imports, much, if not all, of it during the first quarter resulting from payment of duties in January on goods imported and despatched in December and ever before. If Revenue be compared for the four months, December to March, instead of for the first quarters of 1900 and 1901, the total for the 4 months December 1900 to March 1901 will be found to be only 87,915,751\$ compared with 9,320,326\$ for the corresponding period 1899-1900.

In the same manner although the nominal value of purely import revenue (i. e. that collected in gold and currency summed together without reduction) shows an increase in the first quarter of 5,533,762\$ equivalent to 17.8%, it must not be concluded that imports have therefore increased in proportion; because, if the comparison be instituted for the four months Dec - March, the result is again completely altered and shows the totals Rs. 58,233,287\$ for 1900-1901 as against Rs. 62,962,485\$ for 1899-1900.

Inland Revenue shows a notable and highly satisfactory increase of 678,839\$ equivalent to 47%, whilst Consumption taxes show a slight shrinkage of 0.1%. The shrinkage of Extraordinary or Sundry Revenue amounts only to 34,934\$, whilst Deposits have diminished by 324,506\$ or 51.4%, as in the actual stringent state of the money market was to be expected.

Discriminated by Districts the revenue collected at the Customs ports serving the Central or coffee districts shows an increase of 44.5%: in the Northern States (Ceará and Maranhão) 29.8%; and in the North Eastern or Sugar and Cotton States, 20.3%.

On the other hand a shrinkage of 29.3% is registered in the Amazon district and of 9.6% in the South (Rio Grande, etc.) The shrinkage in the Rio Grande and the Amazon districts obeys special causes, the drought in the former and severe financial crisis provoked by the fall of rubber in the latter district. At both Pará and Manaós imports had for the last three or four years been growing continuously in a manner that could not be healthy and was bound to provoke reaction. In fact, the critical condition of the rubber trade, consequent on the rise of exchange and fall of sterling prices, was the signal for numerous failures and wholesale cutting of credits abroad, accounting for the fact that, whilst every other district except the South shows a considerable increase for the quarter, in the Amazon Provinces it has fallen off 2,627,688\$ or 29.3%. For the last three years the course of Customs Revenue has been as follows:—

In contos of reis

YEAR	QUARTERS				TOTAL
	1st	2nd	3rd	4th	
1900	48,480	63,311	57,315	65,895	235,001
1899	51,056	66,580	66,839	86,726	271,201
1898	66,423	55,000	62,533	68,882	266,929
Average	53,320	61,630	62,229	80,501	250,711

For the first quarter of 1900 Customs Revenue amounted to 55,557 contos and was, consequently, 2,000 contos or 38 % over the average. At the same rate the total for the year gives 260,238 contos, which in our opinion may be regarded as the minimum. It is true that conditions in the North are not favourable to Imports, but in the South high exchange combined with an unprecedented coffee crop are almost certain to stimulate foreign trade. At

the present rate of 14 % of the total : Revenue may, therefore, be counted on to yield a minimum of 37,000 contos gold equivalent to £ 4,160,000, and more than sufficient to cover the fixed sterling charges abroad for the service of the debt, guarantees, diplomatic and consular corps. This we regard as a conservative estimate that as things are now going will, in all probability, be exceeded.

RIO DE JANEIRO CUSTOMS REVENUE FOR THE MONTH OF APRIL

	1900			1901			Inc. or Dec. in 1901 in Currency %
	Gold 15 %	Paper	Total reduced to Paper at average exch	Gold 25 %	Paper	Total reduced to Paper at average exch	
Import Duties including Surcharges, Storage Landing and loading charges and Statistical dues.	6,123,45	3,446,522	5,327,069	1,171,038	4,761,791	6,447,245	+ 19.1
Shipping Dues, Dock, Light and Surcharges	61,297	1,205	31,407	13,400	11,792	24,502	+ 10.1
Inland Revenue	6,875	6,875	6,875	7,338	7,338	7,338	+ 11.4
Excise and Consumption	248,509	248,509	248,509	341,492	341,492	341,492	+ 38.5
Sundry (Extraordinary & sundry)	10,109	10,168	10,168	13,153	13,153	13,153	+ 29.3
Sundry Hospital	49,043	49,043	49,043	49,043	49,043	49,043	+ 2.1
Deposits	16	16,883	16,883	16,883	441,365	621,015	+ 32.4
Total April	577,145	3,773,051	5,680,160	1,194,519	4,223,613	6,249,724	+ 20.5
.. March	574,394	3,797,900	5,662,043	1,020,358	3,451,716	5,311,420	+ 2.7
.. February	451,181	2,849,594	4,112,142	856,177	5,079,021	5,358,745	+ 21.4
.. January	300,102	2,500,798	3,837,070	1,191,951	5,849,504	7,179,073	+ 144.4
Total 4 months January April	1,903,197	12,897,139	19,592,199	1,190,902	19,694,153	27,497,041	+ 39.6
.. including December 1900	3,176,658	24,541,551	37,044,901	8,117,256	23,041,600	39,000,405	+ 1.0

During the month of April nominal revenue (i. e. gold and currency summed) amounted to 5,423,323\$ as against 4,350,507\$ last year, an increase of 26.6 %. Reducing the gold moiety to its currency equivalent at the average rate of exchange for the month the increase compared with last year is 20.5 %, from which it may be concluded that, with less money, duties on a greater volume of imports have been paid. It must not, however, be too hurriedly concluded that imports are, therefore, increasing, because if comparison be made between the aggregates for the last five months, which includes December, with the corresponding period last year, the increase of revenue is reduced to 2.1 % and, reducing gold to currency, to 1.0 %. Practically it may, therefore, be concluded that Revenue and Imports at this port for the past five months are identical with those for the corresponding period last year.

Rubber Classification. Rubber is classed as *Fina*, *Entreposto*, *Sernambby* and *Cauchó*, the *paeta* or official valuation of the different kinds being arrived at from information furnished by buyers from which an average is struck. There are now only two official classifications, *fina* and *sernambby*, that of *entreposto* having been officially abandoned. For *Cauchó* from Pará *sernambby* rubber prices are adopted. Manáos rubber is always quoted somewhat higher than Pará in the local market, because it is much drier. The Pará rubber coming from districts comparatively close has less time to dry than the Manáos article, which is only sent to market months after it has been collected in consequence not only of the far greater distance, but of frequent lack of communication when the waters of the upper branches of the Amazon are low. *Cauchó* is sold on the market at prices slightly over *sernambby* and *sernambby de cauchó* also enjoys slightly higher quotations than *sernambby de paqueta*.

Insurance Companies. In answer to the enquiries of the Minister of Foreign Affairs, the Treasury has reported that the matter is one for consideration of the legislature and that the foreign companies are subject to the same taxation as national.

Bahia Banks. Shares of the Banco Commercial have been offered at 100,000 to 133,000 and those of the Banco de Bahia at 90,000 to 100,000 without buyers. The Bank of Bahia will ask for a moratorium for two years.

Mining in the North. It is stated that a syndicate has been formed in London to work mines, under the name of the Pará and Maranhão Mining Syndicate, in those States. The area to be worked in the State of Pará lies between the rivers Gurupy and Pará, and in Maranhão between the rivers Pindaru and Gurapi and includes the whole watershed of these rivers.

A company has also been formed at Paris called the Calcoene Anglo-French-Gold Company with the capital of £ 120,000 divided into a similar number of one pound shares. The company purchased its concession for the sum of 600,999 francs and now proposes to construct a line of tramway of 110 kilometres in length from the port to the mines. The mines have already produced

large quantities of gold and valuable deposits of coal have also been discovered in the neighbourhood. Calcoene is in the *Contestado* or Guayana territory lately awarded to Brazil by the Berne decision.

The Census. By order of the Minister of Public Works the late census has been cancelled and, it is to be supposed, another will be shortly undertaken.

The new Tax on Coal. It is said that all contracts entered into previous to the bill being passed will be exempt from the export duty, and several firms here have, consequently, received orders to forward copies of their contracts to England to be submitted to the Treasury. Merchants at Genoa and other Mediterranean ports are said to be also protesting against the tax and refusing to pay on existing contracts. A cable received by the *Times* says that they do not so much object to pay on new contracts: but what their objection can be worth would be interesting to learn unless they can get coal cheaper somewhere else. An interesting feature of the new tax is the way in which it will put the most rabid opponents of English policy in South Africa under contribution to the British exchequer, and oblige them to pay a not inconsiderable part of the war expenses. The two greatest consumers of English coal are Germany and France, both of them bitter opponents of the war. Between them they consume about 11,000,000 tons per annum and, at the rate of only a shilling a ton, will contribute the tidy little sum of half a million to the exchequer. If the war continue no doubt a little more might be got out of them, but the golden goose cannot be squeezed much harder or the trade will pass to other hands. The difference between English and the best American coal is not very considerable, and as far as quality is concerned this might be easily counterbalanced by over taxing the article. Meanwhile at home they will no doubt derive considerable consolation from spoiling the Philistines, who moreover are not in a position to retaliate without injuring themselves and making things worse, as coal is essential to the very existence of their manufactures.

Dr. Manoel Victorino has been lecturing the Clerks' Association on free trade which he, evidently, does not regard as a principle but merely as a dogma, to be followed or not as convenience dictates.

The lecturer pointed to the example of England, where free trade, he maintains, has been worsted and policy tends more and more to return to protection. Hitherto the example of English success under the free trade *régime* has been the most powerful argument in its favour all the world over and nothing could more injure liberal commercial principles than the abandonment of the practice of free trade by Great Britain. We ourselves do not believe it to be likely, because, whatever an interested coterie con-

trolled by conservative leaders may imagine or attempt, it is not probable that the English people are of a sudden going to abandon the principles on which their immense prosperity has been gradually built up, or return to the exploded ideas of a past generation without a struggle.

The principles of free trade rest on something better and higher than mere convenience—on liberty and justice themselves. And it is likely that, after battling for centuries for liberty of every kind, Englishmen are going to sacrifice their advantages at anyone's bidding or allow governments again to interfere in their private affairs? To restrict the sphere of government to the minimum indispensable for the maintenance of order at home and of respect abroad has hitherto been the tendency of British thought and action, towards which no greater conquest was ever made than the adoption of free trade and non interference in commercial affairs. If that is to be now sacrificed, what guarantee is there that the rest will not follow and that the people that are too weak to protect themselves against the encroachments of governments in their commercial affairs will be able to resist when conscription is forced upon them and the liberties that have cost so much are filched one by one away? The attempt, disguised as it is at present under the cloak of necessity, may succeed for a time, but sooner or later the spirit of liberty and resistance to official control, innate in the British peoples, is certain to re-assert itself and call the leaders that now control the destinies of the country to account. Nothing that the present government has done could be better calculated to reanimate the liberal party, and give them a war cry that will unite as one man under one banner all who love liberty and truth and detest tyranny and humbug. The conservative party by identifying themselves with so illiberal a measure has sounded its own deathknell and, when the people have had time to reflect on the consequences of their policy, will be driven from office. If not, so much the worse for England, because it will show that not only are its public men losing perception of the difference between right and wrong but the people too!

As regards ourselves there can be no question that for Brazil, as for everyone, free trade must be the best, because it is the most natural condition. If Liberty is good, it is good in everyone alike. If it be good politically, it must be so socially and commercially. We know that other opinions are generally held here and amongst Latin peoples who, with the name of Liberty always on their lips seem to do all they can to prostitute and degrade her! No country has suffered more than this from the interference of Governments in private concerns and from attempts to control trade and commerce. Whether the results are in proportion to the effort we leave others to decide; but it is difficult to understand how anyone with such experience can advocate further official restriction-of or interference-with trade and commerce.

Dr. Manoel Victorino is right when he says that the lack of stability is the curse of the country and although, if it lay in our power, we might, perhaps, have tried other methods, we believe that no sacrifice is too great or labour too arduous to secure it. Whether by restriction of the currency, as was done at Montevideo and is being done here, or by the reduction of the *par* value of the currency, as was practised in Argentina, India and other countries, the end is one and the same, to give stability to the currency, the only possible condition for permanent prosperity and national well-being. It is because we recognize the transcendent importance of the objective that we do not quarrel with the method, even if better might have been employed. Whatever way we arrive at it, an honest gold coinage that will afford a secure basis for transaction between man and man and between one nation and another is the greatest boon that could be conferred on this or any other country and will entitle its author, whosoever he may be, to lasting gratitude. The present Government has done much towards it, but the consummation must be left for the succeeding administration whose chief aim and object it should be.

QUEEN VICTORIA MEMORIAL FUND

DONATIONS RECEIVED UP TO SATURDAY MAY 4th

PER MR. F. W. BARROW	
Hampshire & Co.	500,000
F. W. Barrow.	250,000
750,000	
PER MR. JOHN CRASHLEY	
A. Fiery.	20,000
H. Hardwick.	20,000
John Crashley.	20,000
60,000	

H. J. Reeves.	100,000
H. C. Tucker.	20,000
F. H. O. Tross.	100,000
Total. 220,000	
Total Received to date. 1,048,000	

General News

Rio Grande do Sul. The drought continues to do great damage and has extended to fresh districts.

— The *carregadeiras* will suspend killing about the 5th of this month.

— Imports, as would be anticipated, have fallen off very considerable in this State.

— Dr. Casiano do Nascimento is said to be the official candidate for Governor during the next term.

The local papers are now discovering the existence of what they term the "Coffee trust" in New York, which we reported nearly three months ago. For really fresh and valuable information on commercial subjects they have few competitors!

Dr. Alberto Torres, the ex-Governor of the State of Rio de Janeiro, has been appointed to be judge of the Supreme Federal Court.

More Remittances. By the next mail the Government will remit £ 300,000 to their London agents.

Ceará. In consequence of the improvement in Ceará and the circumstances that called for special measures having ceased, the reduced tariff that was decreed for the Baturité railway has been withdrawn and the old scale put into force again.

The President of the Republic will leave Sylvestre and take up his residence at the Cattete on the 10th inst.

Pará. At a small town named Cameta in the interior of this far away province Jew-baiting has broken out in a most unexpected manner. Some of the victims are said to be of British origin and the British consul has claimed protection and satisfaction.

The Provincia de Pará has passed from the proprietorship of Messrs Lemos Chermont and Company to a new syndicate in which Senator Lemos is the chief, shareholder.

— Rubber shipments in April, from Pará, were 2852 tons.

Coal has risen 5 s. per ton in the English markets.

LIST OF PASSENGERS

ARRIVALS

Per R. M. S. P. Co's S. S. *Thames*, 29th. April

From Southampton:— Mr. H. O. Gregory, Mr. S. Drew, Mr. W. Pascoe, Mr. A. Frebilcock, Mr. W. Wills, Mr. W. Pope, Mr. J. Watts, Mr. H. Gents, Mr. C. S. Mayne, Mr. W. Boy, Mr. E. Drew, Mr. J. Gribble, Mr. J. Jerram, Mr. Munn, Count Leopoldina, Mrs. de Ranville, Miss, Eanis.

From Cherbourg:— Mr. Moreira, Miss. Moreira, Mr. C. Fondinere.

From Lisbon:— Mr. F. B. Taveira, Mrs. M. A. Settas, and servant, Mr. Christiano de Souza and Operatic company, Mr. J. A. P. Valenti.

From St. Vincent, ex German S. S. *Amazonas*:— Mr. C. Dablow, M. C. M. Abreu, Mr. M. da Sa. David, Dr. A. Duprat, Mr. and Mrs. N. J. Gomes and daughter, Dr. A. L. Martins, Mr. and Mrs. F. A. Magalhães, Mr. and Mrs. M. F. Guerreiro, Mr. A. da Silva, Mr. A. Rezende, Mr. A. da Silva.

From Pernambuco:— Mr. Alfonso Costa, Dr. T. de L. Duarte Dr. E. de Figueira.

From Bahia:— Miss. T. Betti, Dr. and Mrs. N. Rocha, Mr. F. J. Martins, Dr. J. R. da C. Doria, Mr. J. T. G. Mourão, Mr. A. Lima, Dr. M. Caetano, Dr. and Mrs. J. Montenegro and two daughters, Dr. J. M. de C. Rebello, Dr. V. D. Abreu, Mr. G. M. de S. Bastos, Dr. and Mrs. V. Damazio, Friar E. Luiz, Mrs. A. Veneziana, Mr. A. Araujo, Mr. J. Rodrigues, Mrs. M. R. Barboza, Mr. F. da Silva.

Per R. M. S. P. Co's S. S. *Nile* May 1st.

From Buenos Aires: Mr. Georges Genini, Mr. Alfredo Carranzo, Mr. and Mrs. Mc. Nab and child, Mr. Louis Ceresola, Mr. and Mrs. Fy Dunezzi, Mz. de Tuttle, Mr. de Willard, Mrs. Atterbury Mr. J. P. Tomas, Mr. Albero Gutshot, Capt and Mrs. Spurr, Mr. C. de La Pena, Mr. C. J. Pena, Mr. Vittorio Bianchi, Mr. Christian, Mr. and Mrs. Palladinos and two children.

From Montevideo:— Mr. Oscar Porciuncula.

H. E. Hime.

14, RUA DA CANDELARIA

Cable Address: HAROLD

RIO DE JANEIRO.

Caixa do Correio 231, Telephone 14

Money and Share Market

QUOTATIONS DURING THE WEEK ENDING MAY 31, 1901 WERE AS FOLLOWS:

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

APRIL—MAY	MAXIMUM AND MINIMUM BANK COUNTER DRAWING RATES					
	90 d's			SIGHT		
	London	Paris	Hamb.	Italy	Portugal	N.-York
Saturday . . . 27	12 1/2 13	73 738	90 913	70 717	23 311	3.849 3.877
Monday . . . 29	13 13 1/2	730 73	90 903	70 714	24 303	3.821 3.850
Tuesday . . . 30	13 1/2 13 1/2	720 730	88 902	68 707	23 307	3.785 3.840
Wednesday . . . 31	13 1/2 13 3/8	713 717	88 885	68 698	24 301	3.731 3.737
Thursday . . . 2	13 1/2	720 721	88 891	69 700	23 304	3.767 3.785
Friday holiday . . . 3	—	—	—	—	—	—
Average . . . 1901	13 1/2	725	89	70	24	3.808
do 1900	8 3/8	1.118	1.117	1.101	46	6.038

APRIL—MAY	OFFICIAL RATES							
	90 d's			SIGHT				
	London	Paris	Hamb.	London	Paris	Hamb.	Italy	N.-York
Saturday . . . 27	13 1/2	732	903	1204	73	698	677	3.812
Monday . . . 29	13 1/2	720	897	13 1/2	730	901	671	3.784
Tuesday . . . 30	13 1/2	719	888	13 1/2	723	893	651	3.718
Wednesday . . . 31	13 1/2	711	878	13 1/2	711	882	656	3.701
Thursday . . . 2	13 1/2	713	881	13 1/2	719	888	661	3.731
Friday holiday . . . 3	—	—	—	—	—	—	—	—
Average . . . 1901	13 1/2	720	890	13 1/2	721	891	665	3.755
do 1900	8 3/8	1.139	1.106	8 1/2	1.113	1.111	1.093	5.927

Extremes during the week ending May 31st. were 13 d. — 13 1/2 d. for 90 d's Bank paper and 13 1/2 d. — 13 1/2 d. for private.

The average Bank 90 d's counter drawing rate for the week comes out at 13 1/2 d., the corresponding sight rate being 13 1/2 d. against 13 1/2 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 51.55 % and the premium on gold 105.45 % against 51.79 % and 116 % last week. At these rates:

1 £	was worth	183351	against	198200	last week
1 shilling	"	\$917	"	\$969	"
1 penny	"	\$976	"	\$980	"
1 Franc	"	\$729	"	\$763	"
1 Mark	"	\$900	"	\$942	"
1 U. S. Dollar	"	38779	"	3954	"
1 20\$000 coin	"	418290	"	43200	"

SUNDRY QUOTATIONS

	April 29	May 1	May 3
Bank of England Rate	4 0/8	4 %	4 %
Open market rate	3 1/2 %	3 1/2 %	3 1/2 %
Exchange on London: —			
Paris	25.16 1/2	25.16	25.16
Brussels	25.19 1/2	25.19 1/2	25.19 1/2
Berlin	20.43 1/2	20.43 1/2	20.45
Genoa	26.51 1/2	26.54	26.51
Madrid	34.30	34.35	34.27 1/2
Lisbon	36	36 7/8	36 15/16
New York	4.88 1/4	4.88	4.87 7/8
Premium on gold: Buenos-Aires.	130.10	130.00	130.53
London Quotations.			
Apolices 1879, 4 1/2 %	74 3/4 %	—	71 1/2 %
" 1889, 4 %	68 3/4 %	—	70 1/4 %
" 1895, 5 %	81 1/2 %	—	81 %
Funding loan, 5 %	91 3/4 %	—	91 1/2 %
West Minas, 5 %	81 1/2 %	—	83 1/2 %

THE BRAZILIAN REVIEW

Saturday 5th May 1901

Ninety days Bank rate on London opened on Monday 29th ult at 13 1/2 d. rose to 13 1/2 d. on Wednesday 1st and closed this evening at 12 7/8 d.

The message is read and the flourishing condition of finances appreciated here as everywhere, and immediately after down flops the rate. To the simple minded, accustomed to search for current causes in explanation of every phenomenon, the fall is associated with the message, and that with failure or trickery. Certainly it was unfortunate that exchange should drop so promptly after the message had been read, but looked at from a purely business point of view, was perfectly natural that after it had been energetically boomed on the strength of the impression the message was expected to create a reaction should set in as soon as operators commenced to let go. From 12 3/4 d. upwards most of the selling centered on the effect of the message which, howsoever good and hopeful it may be, will add nothing to our immediate stock of bills nor even do much to reduce demand.

Besides the message deal, the bill account for the current month was believed to be particularly heavy, so that when covering for the former began the bears, assisted apparently by one of the banks, had it all their own way and rates slumped hopelessly and irresistibly. The opportunity could not be better for bearing the rate, just when the supply of ready produce bills was lower than it had been for a long time and demand for private remittance by Italians and Turks at S. Paulo and other small fry that, though individually insignificant, mount up to formidable figures in the aggregate. Last year bills for over 2,000,000 were taken in this way and though, if repeated, it is likely to be on a smaller scale this year, it is certain to be reflected in rates. One of the S. Paulo banks is said to have imported 400,000 in sovereigns in anticipation of last year's performance, when sovereigns were sold at 5,000 over their market value!

During the past week *caubrigues*, too, were much smaller, 4 216,700 at Rio and Santos as against 4 100,000 the previous week, whilst sales were also smaller, 107,000 as against 122,000 bags.

Rubber shipments, as we said last week, are now comparatively insignificant, and for the seven days 26th April to 3rd. May only 45 tons of the value of about 420,000 for both Para and Mandos. At Para stocks were reduced to only 62 tons. For some time Para seems likely to be a source of weakness in the exchange market, especially if, as the balance sheets of 31 March seemed to indicate, that market is heavily oversold.

The balance sheets of the five foreign banks of the capital and three branches at São Paulo and Santos show an increase of cash of 8,900 contos, from 55,297 to 65,203 contos; this time last year the same branches showed 51,468 contos in cash. On the 30th April these eight branches showed an aggregate debt to home office and other branches of 6,500 contos as against 3,311 contos in their favour on 31 March, a variation of 9,817 contos. This time last year these banks had 12,768 contos in their favour. At the same time deposits, fixed and sight, fell of from 72,171 contos on the 31 March to 67,170 contos on 30th April. On 30th April 1900 they amounted to 88,100 contos.

So far, therefore, as can be judged from such incomplete statements, exclusive of operations of the Banco da Republica, the increase of cash and conversion of credit into debit balances with Home Office etc., seem to indicate a considerable increase of speculative selling during the past month. So far, however, there seems to be no reason for alarm as the figures for cash balances and overdrafts are yet a long way below the tremendous figures reached in July 1900, when cash balances at Rio alone exceeded 90,000 contos and over 45,000 contos were owing to Head Offices and branches! In 1899 the maximum cash balance was little over 81,000 contos in July and the debt to Home Office etc about 14,000. Still things are moving forward and just as speculation forced the pace in June and July of last year it may do again this year unless checked.

The tendency is evident, and we regard it as particularly fortunate that a drag should be put on in time to prevent disaster. The present fall will no doubt have the effect of frightening out a good many of the guttersnipe fraternity, that are so dangerous an element in a speculative market. It is said that liquidations have been very numerous and heavy during the last few days and may continue for a week, which, in the absence of any considerable supply of ready produce bills, may provoke a still further fall or maintain the market weak for some time, but as soon as they are over a reaction seems unavoidable, because during the coming month at latest new coffee will commence to come in in large quantities and heavy sales swell the supply of bills, which have not, to all appearances, been anticipated this year to the usual extent.

At present the market appears to be in a dangerous condition in which there is no foretelling what may occur. An energetic "bear" onslaught might send it slumping for a time, just as a new loan or piece of good fortune might send it booming. Ultimately, we do not doubt that we shall see higher rates, but just at the present the market is in a nervous condition and best left alone to right itself. The coffee cleared during the past week is valued at \$225,048 and since the 1st January at \$5,509,405 as against \$4,089,416 last year. For the current crop the value of shipments to 3rd May is \$17,580,265 as compared with only \$13,129,609 for the same period last year.

With regard to the Par  loan our correspondent advises that negotiations are proceeding and that as soon as certain formalities are complied with, it will be brought out on the London market.

BUSINESS DONE ON THE RIO DE JANEIRO STOCK EXCHANGE

DURING THE WEEK ENDING APRIL 3RD 1901

DESCRIPTION	Sales	Highest	Lowest	CLOSING		
				This week	Last	Date of last
GOVERNMENT SECURITIES						
Aplicoes Geraes 5 % Currency	11	718\$000	718\$000	714\$000	718\$000	Apr. 23
do do Fractions	11	720\$000	720\$000	708\$000	720\$000	" 23
Internal Loan 1895 5 % Currency bearer	511	727\$000	704\$000	708\$000	724\$000	" 26
do do do order	24	718\$000	710\$000	718\$000	718\$000	" 24
do 487,490 Cup. rancy bearer	47	883\$000	889\$000	880\$000	880\$000	" 25
do do order	434	883\$000	880\$000	880\$100	883\$000	" 26
3 % Bonds bearer	188	613\$000	610\$000	614\$000	614\$000	" 21
do Fractions order	3,000\$	610\$000	620\$000	610\$000	620\$000	" 21
Rio Municipal Loan bearer	344	124\$000	119\$000	118\$000	124\$000	" 21
do do order	10	125\$000	125\$000	125\$000	125\$000	" 21
BANKS						
Republica	1,034	58\$000	54\$000	54\$000	57\$500	Apr. 23
Commercial	50	70\$000	70\$000	70\$000	71\$000	" 23
Comercio	7	38\$000	38\$000	38\$000	40\$000	Apr. 23
Par� e Hypothecario 1st serie	557	55\$000	50\$000	52\$000	55\$000	" 20
do 2nd serie	103	47\$500	47\$500	47\$500	47\$000	" 19
Credito Movei	309	5\$000	5\$000	5\$000	—	—
TRAMWAYS						
S. Christov�o	400	110\$000	110\$000	110\$000	110\$000	Apr. 26
Gardia Botanica	56	112\$000	112\$000	112\$000	109\$000	Apr. 11
INSURANCE						
Argos Fluminense	24	300\$000	300\$000	300\$000	—	—
COTTON MILLS						
Depresso In Industrial	5	110\$000	110\$000	110\$000	110\$000	Apr. 15
Nacional do Lino	100	17\$000	17\$000	17\$000	20\$000	" 24
MISCELLANEOUS						
Melhoramentos do Brazil	2,810	13\$000	11\$250	11\$250	12\$750	Apr. 26
Lotarias Nacionaes	118	52\$000	50\$000	52\$000	50\$000	" 15
Transp. e Carregagens	350	65\$000	60\$000	65\$000	65\$000	" 15
DEBENTURES						
Sopocahana Itana	75	45\$000	42\$000	45\$000	50\$000	Apr. 23
Ry	22	9\$500	9\$000	9\$000	9\$000	" 23
Empreza Viacao	30	20\$000	20\$000	20\$000	—	—
Uniao e Luz Ribeir�o Preto	30	20\$000	20\$000	20\$000	—	—

The total business done on the Rio de Janeiro Stock Exchange amounted to Rs. 1,531,829,900 distributed as follows :

Government Securities	1,268,271,000
Bank Shares	93,352,500
Railway and Tramway Shares	51,260,000
Insurance Shares	7,500,000
Cotton Mill Shares	2,250,000
Miscellaneous do	62,318,000
Debentures	50,877,500
Total Week ending May 3 1901	1,531,829,900
Total Week ending April 26 1901	1,767,676,000
Total Week ending May 4 1900	869,519,000
1st January to May 3 1901	28,374,477,500
1st January to May 4 1900	27,954,718,000

BUSINESS DONE ON THE S. PAULO STOCK EXCHANGE

DURING THE WEEK ENDING MAY 3RD, 1901

Description	Sales	Highest	Lowest
<i>Government Securities</i>			
Aplicoes geraes 5 %	25	720\$000	720\$000
Municipal S. Paulo 3rd. loan	8	75\$000	75\$000
<i>Banks</i>			
S. Paulo	310	101\$000	100\$000
Uniao de S. Paulo	35	43\$000	43\$000
Ribeir�o Preto	59	140\$000	140\$000
<i>Railways</i>			
Paulista	1,271	194\$000	189\$000
do 20 %	112	36\$000	36\$000
Mogiana	369	192\$000	190\$500
do 40 %	319	75\$000	75\$000
<i>Miscellaneous</i>			
Mechanica e Importadora	59	117\$000	117\$000
<i>Mortgage Bonds</i>			
Banco C. R. de S. Paulo 8 %	401	118\$000	118\$000
do do 6 %	482	47\$000	46\$000
do Uniao de S. Paulo	200	61\$000	61\$000

The total business done during the week ending May 3rd amounted to 479,5908 distributed as follows:

Government Securities	18,400\$000
Bank Shares	39,660\$000
Railway Shares	339,343\$000
Miscellaneous Shares	5,870\$000
Mortgage Bonds	47,337\$000
Total	479,590\$000

FROM OUR CORRESPONDENT

Pernambuco, April 27, 1901

Exchange opened on 13th at 12 1/2 d and closed 12 3/4 d. with very limited business in private at 12 1/2 d. 15th rates opened at 12 3/4 d. advancing later to 12 1/2 d. 12 3/4 d. and 12 3/4 d. in private transactions reported at 12 1/2 d. 12 3/4 d. and 12 3/4 d. 16th market opened at 12 3/4 d. and rose to 12 3/4 d. and 12 7/8 d. private done at 12 7/8 d. and 12 3/4 d. 17th opened at 12 3/4 d. dropped 1 1/2 d. recovered to 12 3/4 d. and closed again at 12 3/4 d. private very scarce at 12 3/4 d. 18th opened at 12 3/4 d. closing 12 3/4 d. a small amount of private at 12 3/4 d. and 12 3/4 d. 19th Banks posted 12 3/4 d. but at midday dropped to 12 1/2 d. then at close of day rose to 12 1/2 d. private 12 7/8 d. for first mail. 20th opened at 12 3/4 d. then rose to 12 3/4 d. and at close 12 3/4 d.; the London & Brazilian Bank always leading and all other banks 1/2 to 1/4 d. lower; private 12 7/8 d. to 12 1/2 d. 22nd opened firm at 12 3/4 d. and Banks posted successively 12 1/2 d., 12 3/4 d. and 12 3/4 d., latter by London and Brazilian Bank only; at close rate was weaker at 12 3/4 d. 23rd opened at 12 3/4 d. but soon rose to 12 3/4 d. and 12 3/4 d. then dropped 1 1/2 d. but at 4 p. m. London & Brazilian Bank and Banco do Recife came out at 12 1/2 d.; in private small business at 12 3/4 d. 12 1/2 d. and 12 3/4 d. 24th opened strong at 12 1/2 d. Bank and advanced to 12 3/4 d. in London & Brazilian Bank, but there was very little money and probably not over \$5,000 done all day; later market eased off to 12 3/4 d. in London & Brazilian Bank and 12 1/2 d. in all the others; private 12 1/2 d. and 12 7/8 d. To day Banks opened at 12 3/4 d. but although there is no change in rates there seems now (4 p. m) an easier feeling and London & Brazilian Bank has bought private for first mail at 12 1/2 d.

THE BEST INSTANTANEOUS HEATERS OF THE DAY

THE EAGLE N. 3

Combining material and workmanship of the highest standard with the highest efficiency and artistic appearance. Height 36 in. Net weight 40 lbs.

Price N. 3 Heater, Nickel Plated . . \$35.00
Price shelf 3.00

Manufacturers: — THE S. BERNSTEIN COMPANY

86, Broadway—New-York

BALANÇOS E BALANCETES

RIO

LONDON AND RIVER PLATE BANK, LIMITED

ESTABELECIDO EM 1862

Table with 2 columns: Description, Amount. Includes Capital, Capital realized, Fundo de reserva.

BALANÇO DA CAIXA FILIAL NESTA PRAÇA EM 30 DE ABRIL DE 1901

Activo

Table with 2 columns: Description, Amount. Includes Letras descontadas, Letras a receber, Empréstimos, Caixa matriz, etc.

Passivo

Table with 2 columns: Description, Amount. Includes Capital declarado da Caixa Filial, Depósitos a prazo, Contas correntes, etc.

S. E. ou O. — Rio de Janeiro, 2 de Maio de 1901. — Pelo London and River Plate Bank, Limited, W. J. Cronin, Act. Manager. — A. Goffin, Act. Accountant.

LONDON & BRAZILIAN BANK, LIMITED

Table with 2 columns: Description, Amount. Includes Capital, Capital pago, Fundo de reserva.

BALANÇO EM 30 DE ABRIL DE 1901

Activo

Table with 2 columns: Description, Amount. Includes Capital a realizar, Letras descontadas, Letras a receber, Caixa matriz, etc.

Passivo

Table with 2 columns: Description, Amount. Includes Capital, Depósitos, Em conta corrente sem juros, Em conta corrente com juros, etc.

S. E. ou O. — Rio de Janeiro, 2 de Maio de 1901. — Pelo London & Brazilian Bank, Limited. — Assignado P. Broad manager. I. W. Turner, Act. Accountant.

BRASILIANISCHE BANK FÜR DEUTSCHLAND

BALANCETE EM 30 DE ABRIL DE 1901

Activo

Table with 2 columns: Description, Amount. Includes Contas correntes garantidas, Caixa matriz, Letras a receber, etc.

Table with 2 columns: Description, Amount. Includes Caixa, Em moeda corrente.

Passivo

Table with 2 columns: Description, Amount. Includes Capital, Contas correntes com juros, Dívidas sem juros, etc.

S. E. ou O. — Os Directores, Theil. — Gutschow.

BANQUE FRANÇAISE DU BRÉSIL

Rio de Janeiro

BALANÇO EM 30 DE ABRIL DE 1901

Activo

Table with 2 columns: Description, Amount. Includes Accionistas capital a realizar, Filiaes e agentes, Letras a receber, etc.

Passivo

Table with 2 columns: Description, Amount. Includes Capital, Contas correntes com e sem juros, Contas correntes a prazo fixo, etc.

S. E. ou O. Rio de Janeiro, 6 de Maio de 1901. — O Inspector geral, Louis Hoeser, — Sous-Inspecteur L. de B. de B.

S. PAULO

LONDON & BRAZILIAN BANK, LIMITED

Table with 2 columns: Description, Amount. Includes Capital, Capital realizado, Fundo de reserva.

BALANÇO DA CAIXA FILIAL DE S. PAULO E A AGENCIA EM CAMPINAS EM 30 DE ABRIL DE 1901

Activo

Table with 2 columns: Description, Amount. Includes Letras descontadas, Letras a receber, Empréstimos, Caixa matriz, etc.

Passivo

Table with 2 columns: Description, Amount. Includes Depósitos em conta corrente com e sem juros.

Table with 2 columns: Description, Amount. Includes Depósitos com juros e com prévio aviso, Depósitos a prazo fixo.

Table with 2 columns: Description, Amount. Includes Garantias por contas correntes e diversos valores, Caixa matriz e filiaes, Diversas contas, Letras a pagar.

S. Paulo, 4 de Maio de 1901. — Pelo London & Brazilian Bank, Limited. — Pedro José de Souza, manager. T. Hobbs, accountant.

LONDON AND RIVER PLATE BANK LIMITED

ESTABELECIDO EM 1862

Table with 2 columns: Description, Amount. Includes Capital, Capital realizado, Fundo de reserva.

BALANÇO DA CAIXA FILIAL NESTA PRAÇA EM 30 DE ABRIL DE 1901

Activo

Table with 2 columns: Description, Amount. Includes Letras descontadas, Letras a receber, Empréstimos, Caixa matriz, etc.

Passivo

Table with 2 columns: Description, Amount. Includes Capital declarado da caixa filial, Depósitos a prazo fixo, Contas correntes com juros, etc.

S. E. ou O. — S. Paulo, 2 de Maio de 1901. — Pelo London and River Plate Bank, Limited. — George D. Esté, Manager. — E. C. Douca, Act. Accountant.

THE BRITISH BANK OF SOUTH AMERICA, LIMITED

Table with 2 columns: Description, Amount. Includes Capital, Capital realizado, Fundo de reserva.

BALANÇO DA CAIXA FILIAL EM S. PAULO, EM 30 DE ABRIL DE 1901

Activo

Table with 2 columns: Description, Amount. Includes Letras descontadas, Letras a receber, Empréstimos, Caixa matriz, etc.

Passivo

Table with 2 columns: Description, Amount. Includes Letras a pagar, Contas correntes simples, Dívidas com aviso, etc.

S. E. ou O. — São Paulo, 2 de Maio de 1901. — Pelo The British Bank of South America, Limited (Assignado) Frank Dodd Gerente interino. — H. C. Beaumont, Contador.

Advertisement for CERVEJARIA TEUTONIA DEPOSIT. Includes address: Rua dos Ourives No. 20 and Rua do Lavradio No. 60. Mentions Preiss, Häussler & Co. and Mendes, E. F. C. B.

This well-known Factory is situated at the Crest of the Coast range in an unrivalled situation as regards climate and purity of the water utilized for Brewing. This is collected in vast reservoirs on the property of the Company and conducted, pure and crystalline, in pipes to the Brewery. The situation and condition under which this beer is brewed guarantee its being the best and purest in the market.

Coffee Market

COFFEE ENTRIES FOR THE WEEK ENDING

Table with columns for MAY 3 1901, APRIL 25 1901, MAY 4 1901, and FOR THE CROP TO (MAY 3 1901, MAY 4 1901). Rows include Rio entries by various railways and Santos entries.

The coast arrivals for the week ending May 3rd were from: S. João da Barra 2,253 bags, Victoria 1,026, Santa Catharina 135, Total 4,419 bags. The total entries by the different S. Paulo Railways for the Crop to May 3rd were as follows: -

Table with columns: Past Jundiaby, Per Sorocabana and others, Total at S. Paulo, Total at Santos, Remaining at S. Paulo. Rows for 1900/1901 and 1899/1900.

During the week ended May 3rd. entries fell off considerably both at Rio and Santos, being in the aggregate 44,759 bags under those of the previous week, but, in spite of all, 43,013 bags or nearly 90 % over last year's. From 4th May to the 30 June entries last year amounted to 740,740 and should they continue to the end of the crop on the present scale, (19%) of last year's) the amount of coffee still to arrive would be over 1,400,000 bags and the aggregate for the Rio and Santos crops be raised to the enormous figure of 11,413,611 bags!

The Rio market was dull throughout the week and very little doing for either Europe or the States.

Friday being a national holiday, business was somewhat interrupted and sales, though up to the previous week's average, fell 15,000 bags under its aggregate. Quotations during the week ruled 65300 to 65400 per arroba a few sales being reported as low as 63000. To day prices improved somewhat in consequence of lower exchange 65500 being asked but without finding buyers. Colory coffee for Europe obtained 63800 to 65000 for type No. 7.

We quote cost, freight and commission 30 s. 6 d to 31 s., and for New York 6 1/4 to 6.35 cents, which is about 1/4 cent over New York parity.

So far only samples of new washed coffees have been seen on the market, for which fancy prices are being asked by deluded dealers. The weather continues good but cold, although frost has been reported in S. Paulo. What truth there may be in it we are unable at present to say, but however in some districts the prospects of the 1901-1902 crop might be affected, the area is now too immense for any frost to be general enough to do much harm. It is likely that a good many reports will be circulated during to next month or so regarding the damage done by frost, which, however, should be put into quarantine until confirmed.

COFFEE LOADED (EMBARQUES) DURING THE WEEK ENDING

Table with columns for 1901 (May 3), 1901 (April 26), 1900 (May 4), and FOR THE CROP TO (1901 May 3, 1900 May 4). Rows include Rio, Santos, and Total Rio & Santos.

DRINK FRANZISKANER BRÄU and PILSENER, the best in Rio.

MANIFESTS OF COFFEE

Sailed during the week ending May 3rd, 1901

RIO DE JANEIRO

Large table with columns: DATE, NAME OF VESSEL, DESTINATION, SHIPPER, BAGS, TOTAL. Lists various ship departures from Rio de Janeiro.

SANTOS

DATE	NAME OF VESSEL	DESTINATION	SHIPPERS	BAGS	TOTAL
Apr. 29	Saratusa	New York	Zerranner, Bulow & Co	10,050	
"	do	do	Theodor Wille & Co.	10,000	
"	do	do	Rose & Knowles	2,000	
"	do	do	Sundry	29	22,058
		Coastwise	Sundry		815
May 2	Franca	Hamburg	N., Gepp & Co. Ltd.	10,700	
"	do	do	Theodor Wille & Co.	6,600	
"	do	do	Henry Woltje & Co.	5,750	
"	do	do	A. Trommel & Co.	4,932	
"	do	do	E. Johnston & Co.	3,925	
"	do	do	Carl Hellwig & Co.	3,000	
"	do	do	Hard, Rand & Co.	2,500	
"	do	do	Rose & Knowles	2,300	
"	do	do	Schmidt & Trost	2,000	
"	do	do	Krische & Co.	1,375	
"	do	do	Havn & Rosenheim	1,250	
"	do	do	Francoise de Ribeiro	827	
"	do	do	Nossack & Co.	625	
"	do	do	L. W. Donne & Co.	500	
"	do	do	Zerranner, Bulow & Co	250	
"	do	do	Sundry	50	
"	do	Copenhagen	N., Gepp & Co. Ltd.	750	
"	do	do	Rose & Knowles	250	
"	do	do	Zerranner, Bulow & Co	250	47,354
			Total		70,257

THE COFFEE SAILED DURING THE WEEK ENDING MAY 3rd WAS CONSIGNED TO THE FOLLOWING DESTINATIONS.

	UNITED STATES	EUROPE & MEDITERRANEAN	COAST	RIVER PLATE	CAPE	OTHER PORTS	TOTAL FOR WEEK	CROP TO DATE
Rio	50,627	6,008	1,245	2,458	4,057	50	70,445	2,190,927
Santos	22,058	17,351	815	—	—	—	70,257	6,760,107
Total 1900, 1901	81,715	53,362	5,060	2,458	1,057	50	143,712	9,251,034
do 1899 1900	46,052	18,730	4,478	4,408	2,500	27	105,734	8,618,325

VALUE OF COFFEE CLEARED FOR FOREIGN PORTS

	Week ending				CROP TO MAY 3	
	MAY 3	APR. 29	MAY 3	APR. 29	Bags	£
	Bags	Bags	£	£		
Rio	72,210	38,707	112,524	54,052	2,286,002	4,462,008
Santos	60,142	210,357	112,524	175,500	6,804,317	13,118,227
Total 1900/1901	132,352	279,064	225,048	229,552	9,130,200	17,580,235
1899/1900	53,317	80,301	105,513	132,357	5,334,943	13,121,000

Note. - The total for 1900 is calculated from shipments (embarques) not clearances, but is sufficiently close for comparative purposes.

LOCAL STOCKS

(OFFICIAL STOCKS)

	May 3 1900	April 26 1901	May 4 1901
Rio	274,370	208,054	241,024
Santos	892,960	943,690	325,674
Total	1,167,330	1,242,344	566,698

OUR OWN STOCKS.

RIO

Stock on April 26	185,086
Entries during the week ending May 3	35,271
	220,357
Loaded (Embarques) for week ending May 3	54,430
Approximate Local consumption for the week	1,500
	55,930
Stock in Rio on May 3	164,427

AFLOAT

Stock on April 26	4,639
Loaded during the week ending May 3	
From Rio	54,430
From Nictheroy	4,977
In transit	2,000
	61,407
	103,046

Sailed as per manifests during the week ending May 3 76,455

STOCK AFLOAT IN RIO HARBOUR ON MAY 3 26,591

NICTHEROY

Stock on April 26 10,302

Entries during the week ending

May 3 1,224

11,616

Loaded during the week ending

May 3 4,977

STOCK AT NICTHEROY ON MAY 3 6,639

STOCK IN 1ST AND 2ND HANDS AND AFLOAT, INCLUDING THOSE AT NICTHEROY ON MAY 3 197,660

SANTOS

Stock on April 26 910,710

Entries during the week ending

May 3 52,758

933,468

Loaded during the week ending

May 3 93,366

STOCK IN SANTOS ON MAY 3 870,102

STOCK IN RIO AND SANTOS ON MAY 3 1,067,762

DO DO APRIL 26 1,147,827

FOREIGN STOCKS

	April 27/1901	April 20 1901	April 28/1901
United States Ports	823,000	878,000	868,000
Havre	1,504,000	1,498,000	1,672,000
Both	2,327,000	2,376,000	2,550,000
Deliveries	103,000	99,000	91,000
Visible Supply at United States ports	1,229,000	1,289,000	1,016,000
	May 1/1901	April 1 1901	May 1/1900
Hamburg Stocks	616,000	617,000	573,000
World's visible Supply as per estimate New York Coffee Exchange (bags)	7,359,160	7,412,300	6,444,400
World's visible supply as per Messrs Duuring & Zoon's Statistics (tons)	435,000	440,500	367,610
Deliveries in Europe (tons)	38,500	42,300	37,780
Stocks in Europe (tons)	231,900	220,850	238,250

COFFEE PRICE CURRENT

FOR THE WEEK ENDING MAY 3rd 1901

Description	APRIL 27		MAY 1		Average	
	1	2	1	2		
Rio N. 6. per 10 kilos	min. 4.532 max. 4.608	4.630 4.834	4.630 4.834	4.532 4.768	4.502 4.760	4.681
" N. 7 " " "	min. 4.280 max. 4.357	4.357 4.403	4.357 4.403	4.280 4.425	4.283 4.425	4.387
" N. 8 " " "	min. 4.085 max. 4.153	4.153 4.289	4.153 4.289	4.085 4.221	4.085 4.221	4.173
" N. 9 " " "	min. 3.881 max. 3.949	3.949 4.035	3.949 4.035	3.881 4.017	3.881 4.017	3.959
Santos superior per 10 kilos	4.000	4.300	4.200	4.100	4.100	4.116
" (Good Average)	4.000	4.200	4.100	4.000	4.000	4.030
N. York, per lb.						
Spot No. 7 . . cents	6 1/8	6 1/4	6 5/16	6 1/4	6 1/4	6.22
" " " "	5 7/8	6	6 1/16	5	5 9/8	5.97
Options, May. "	5.25	5.40	5.30	5.30	5.40	5.30
" Sept. "	5.55	5.70	5.65	5.60	5.70	5.63
" Dec. "	5.80	5.95	5.90	5.85	5.95	5.88
Havre, per 50 kilos						
Options, May. francs.	37.50	38.25	38	37.75	38.25	38.04
" Sept. "	38.50	39.25	39	38.75	39.25	39.04
" Dec. "	40	40.75	40.50	39.25	39.75	39.54
Hamburg per 1/2 kilo.						
Options, May. fennige	30	31	30.50	30.50	31	31.25
" Sept. "	31.50	32.25	31.75	31.75	32	31.87
" Dec. "	32	33	32.50	32.50	32.25	32.42
London per cwt.						
Options, May. shillings	30/6	31/9	31/3	31 1/2	31/3	31/6
" Sept. "	31/3	32/6	32/-	31/9	32/-	32/-
" Dec. "	32/3	33/3	32/6	32/3	32/3	32/6

Average prices for the week compare as follows:—

	Week ending May 3/1901	April 26/1901	May 4/1900
Rio N. 7 paper	4\$877	4\$451	\$8824
" " gold	2\$302	2\$107	2\$607
Santos g/av, paper	4\$062	4\$083	\$8300
" " gold	1\$966	1\$817	2\$564
New York spot. Cents	6.22	6.05	7.86

SALES OF COFFEE

FOR THE WEEK ENDING

	May 3/1901	April 26/1901	May 4/1900
Rio	21,000	34,000	20,000
Santos	89,000	88,000	30,000
Total	107,000	122,000	50,000

RIO MARKET REPORT

COMPARATIVE STATEMENT OF EXCHANGE AND COFFEE PRICES

DATE	Extremes 90 d/s Bank Rate	Prices between Commissarios and dealers	Shippers' Prices	New York Options-May closing on day previous
Monday..... 21	Min... 13 Max... 13 1/16	68500	63400 68500	5.25
Tuesday..... 30	Min... 13 1/8 Max... 13 1/16	68800	69700 68800	5.40
Wednesday..... 1	Min... 13 1/8 Max... 13 1/16	68500	68400 68500	5.30
Thursday..... 2	Min... 13 Max... 13 1/16	68100 68500	68500 68500	5.30
Friday..... 3	Min... — Max... —	—	—	5.40
Saturday..... 4	Min... 12 3/4 Max... 13 1/16	68500	68500	5.30

A friend from Santos writes us as follows—

« Why the coffee of the last crop comes down is clear and has nothing to do further with the actual cost of production.

« What do you mean by saying "Is there any minimum cost at all?" A query neither I nor anybody else here can understand. I suppose freight, commission and such like outlay are the minimum, and when planters with their wives and families can gather a crop of 7,000,000 bags without the help of outside labourers, that outlay plus the cost of their maintenance, would be the minimum as far as I can see. But that is an absurdity.

« Why should prices go up when exchange continues to rise after having disposed of our stock?

« You say 2,800,000, of which 1,200,000 in visible stock, are still to be disposed of plus, say, 800,000 bags from other countries, which at a low estimate makes a total of 3,600,000 in two months. — The consumption of the world is about 1,200,000 bags per month, so we should find ourselves with a visible supply not smaller than now. — but with the difference that there are 1,200,000 bags now on the other side of the globe, with and put prices up or down at their hearts content and not trouble about Brazil at all. We are, therefore, at loss to understand how you can speak of short supplies.

« Importers have twice paid dearly for a raising of the theory that exchange rules coffee prices and not supply and demand, and will not fall into this trap again».

Wages on Plantations. However it may be resisted, if exchanges keeping up wages are bound to come down. The process, indeed is already commencing, some of the larger planters in Minas having given hands the choice of accepting a reduction of 20% or stopping work altogether. Whilst the colonos, or labourers, before received 23 per *aliquote* of berry they will now get only 18500. This reduction of 400 reis per arroba of berry is equal to 800 reis per arroba of beans.

Arbuckles and the Woolson Spice Co. A cable to the *New York Commercial* states that the proposed settlement in the warfare of the coffee and sugar interests was but the lull that precedes a storm. Open hostility has been declared on the coffee men by the sugar concern.

Arbuckle Bros., through their local counsel, Brown & Geddes, filed an action to-day against the Woolson Spice Co., James Secor, E. M. Brigham, manager, and John H. Doyle, attorney, for \$50,000 damages for alleged false and malicious libel. The action was filed in the United States Circuit Court.

The suit is the outcome of a recent decision of the Pure Food Commissioner in his raid against glazed coffees. The Arbuckles charge that the Woolsons have issued a circular broadcast through the country, in which they use the decision of the Pure Food Commissioner to harass and injure the business of the plaintiff.

The Arbuckles also charge that the Woolsons have given out that the glazing is done to cover up imperfections, and a circular of the Woolsons, in which there is set up a picture of the Arbuckle factory, it is alleged, with rotten eggs, undeveloped eggs, Easter eggs, boiled eggs, tainted eggs and every other kind of eggs lying in crates around the door. This is claimed to be a malicious libel.

The New York Coffee Exchange. Mr. H. M. Humphrey's nomination to be superintendent of the Exchange in place of Mr. R. St George Walker resigned, has created great dissatisfaction amongst members who think that an injustice has been done to Mr. C. B. Stroud the chief clerk, who has been passed over.

Messrs Crossman Bro's Last Circular. The subjoined circular shows so much common sense in appreciation of the real situation of coffee that, in spite of its length, we give it in *extenso*. There are, of course, several points with which we cannot agree. For example Messrs Crossman have not properly appreciated the difficulties that attend any attempt to reduce wages, especially on plantations where the supply is always insufficient and the laborers, consequently, have the pull. A friend who owns a large plantation in Minas lately told us of the difficulty he experienced in inducing his "colonos" or coffee hands to accept the reduction from 28000 to 18500 per *aliquote* of berry, in spite of the appreciation of the milreis and consequent gain in *liras*. Here, too, we are experiencing the same trouble and an attempt to reduce the wages of gas hands resulted this week in a strike. There is not doubt that if exchange keep up prices must ultimately fall, because it will be impossible to earn enough to pay them otherwise. But, as we have always maintained, it will be a long and painful process. As regards consumption, no one expects that higher sterling prices will be paid just because the milreis has enhanced in value, so far as we are aware. What is maintained here is that, no matter what exchange may go to, a minimum currency price exists that must be maintained or else production will fall off until that price be restored by a rise abroad. If the amount received in currency is absolutely insufficient to cover expenses coffee will not come down from the plantations and the falling-off of supply must react on prices once more. In fact, the price of coffee is a function, like that of every thing else, of three and not two factors only: viz, supply, demand and cost of production, all of which must be taken into account before conclusions can be drawn. Messrs Crossman's mistake lies in not taking into sufficient account the influence that the cost of production must always exercise on prices.

As regards the prospects of exchange we believe, too, that Messrs Crossman are altogether wrong. If the balance of foreign payments continues to be maintained by the restriction of imports and inflow of foreign capital, as seems quite possible, it is unlikely that there would be any further considerable fall in sterling prices and that the largely enhanced volume of coffee would more than make up for lower prices. The present crop will probably give about twenty million sterling; and even at the low valuation of thirty-shillings the next may be counted on to give at least eighteen to nineteen, or more than sufficient to secure a favourable balance of payments so long as imports are not allowed to become inflated. Of course, were exchange permitted to fall sterling prices might be depreciated abroad without affecting local prices in currency and to such a fall there would be, practically, no limit, because each successive decline of prices would again disturb the balance of payments and depreciate exchange in its turn.

Therein, as we have pointed out before, lies the great danger, which, however, government has fortunately foreseen and, by accumulating a large reserve of several millions abroad, on which to draw if required, will be able to counteract.

New York, April 26th 1901.

On the many inquiries regarding our views on the present position of Coffee, we cannot do better than recommend to those friends a careful perusal of our general coffee circular of July 6, 1900, as the matters reviewed by us at that time answer almost every question as to production and consumption and also the effect or influence of Brazilian exchange on the values of Coffee. It is known that Brazilian exchange has lately been made the leading issue in Coffee by dealers and speculators, but only because another question was left open to serve in any way as an argument in favor of higher prices for Coffee. While the civilized world recognizes only the international standard of money, viz.: gold, Coffee people try to put special stress upon the question of how many Milreis the farmer receives, ignoring the point as to how much *gold* those Milreis mean. It is quite evident that the illiterate Italian who in the majority of cases cannot read or write, and is the chief laborer in the raising and handling of Coffee in the State of San Paulo, fully appreciates the value of the Milreis with Exchange at 12 pence as compared with exchange at 7 pence. He knows well enough the *ca* but more *Liras* or *Francs* to send back to Italy with Exchange at 12 pence than at 7 pence, and the higher the value of the milreis the more certain it is that every bean of coffee will be picked. Can it be possible that this illiterate Italian laborer knows and appreciates the difference between the Milreis at 12 pence and at 7 pence better than the educated Coffee dealer or financial speculator in Coffee in Europe and elsewhere?

Comparative value of Coffee in Milreis only go to show that supply and demand are the ruling factors, and the relative position of currency and gold prices is entirely of minor importance. Here are some examples of how much the Brazilian planters have received:

Between 1881 and 1883 . . .	13 to . . .	20 Milreis per bag.
In the years 1884-1885 . . .	About . . .	22 " " "
In the years 1888-1889 (after the abolition of slavery) . . .	About . . .	30 " " "
In April, 1890 (with exchange at 9 pence)	Over . . .	100 " " "
In 1898-1899 (in the period of lowest prices from July to October, 1899)	About . . .	34 " " "
And this was the average will be at least	34 " " "	

with a much better rate of exchange since the commencement of the 1900-1901 crop.

While we have given above the Milreis prices existing before and since the abolition of slavery in Brazil, in 1888, we are of the opinion that free and comparatively intelligent labour (compared with slaves) gives much better results than did the slave labour, proof of this being given in the United States as well as in Brazil, and we furthermore think that the average price paid outright for labour actually performed which gave these good results, proves lower than the actual cost of slave labour, which it is well known had to be constantly maintained, provided for, housed and watched, and rendered poorer results.

The surest law in the commercial world is the law of averages. The Brazilian farmers for a long time were receiving excessive prices in Milreis owing to small crops and reduced rates of exchange, and this laid the foundation for the subsequent large crops, which forced lower prices in currency or gold because of over-supplies. No one in any markets expected planters to reduce their Milreis price because it was excessive, as natural laws enabled them to obtain such a price. Therefore, why should the Brazilian planters expect consumers now to pay more money for Coffee than trade conditions actually warrant, in spite of overwhelming "bull" speculation or because there are complaints that while receiving a sufficient price in gold, not enough paper money is received for their merchandise?

Speculation does not reason—in most instances speculation does not desire to reason or look into such details; yet with absolute truth we can say that the losses have been more than the total foreign debt of Brazil. We do since 1895, have been more than the total foreign debt of Brazil. We do not blame Brazilians for this, as all misleading information has been welcomed by consuming markets—the real truth was not wanted and Brazilians never took the trouble to find out how much Coffee they could raise, or if never knew, did not wish to tell. It was this sort of thing that led to this current crop being estimated in July last as low as 7,500,000 bags, and the same thing was responsible for the 1878-1879 crop being estimated at 15,000,000 bags in July, 1877, which turned out 10,500,000 bags; and it is patent to everyone who follows the market now that the current 1900-1901 crop promises to break all records.

Notwithstanding that our crop figures have often been considered too high, they have been too low, with the one exception of 1899-1900 crop, which we estimated at 13,500,000 to 14,000,000 bags together with a majority of the Coffee World, but which turned out a little below 9,000,000 bags. With this exception, our own crop figures, while time for time higher than most people wanted to accept, still turned out to be too small. The estimates on the next 1901-1902 crop that we get from most reliable sources, we prefer to err on the conservative side rather than go over the mark, point to a crop of 11,000,000 to 12,000,000 bags, Rio and Santos together. In the light of this it is impossible for us to follow those arguments which would favour higher values owing to currency or Milreis rate received by the Planters, for we will probably commence the new crop with a World's visible 7,250,000 to 7,500,000 bags against 6,200,000 bags 1st July, 1901. And in the face of a *Cold Price* which is *fully twenty per cent. higher than that at which the 1899-1900 Crop Commanded*.

It must be remembered that the value in currency or Milreis in Brazil depends upon matters like the stability of the Government, honest administration, peaceful or troublous times and the changes of other political disturbances, whereas the real price of a staple depends upon production and consumption, i. e. supply and demand, and nowhere in the World would any other claims be made or looked for, except in a market like Coffee, where 25 per cent. of the dealers are our own and cramping at any straw to afford them relief in their losing position.

If people speculate in Coffee do not speculate in exchange itself, which, at least, and but for heavy charges like freight, storage and insurance, etc., is an *easy* market.

If Brazil has control of any one product more than another, it is Rubber, as the quality of Para Rubber could be duplicated anywhere else, and manufactures accustomed to using Para will not use any other Rubber. Still, with exchange having risen from 7 pence to 12 pence, Para Rubber has declined in price since last April from 75 cents to about 85 cents. The present figure, not only the supply was excessive compared with requirements and the manner in which the decision was made between the Brazil currency price and the dollar value, cost and freight, did not concern consuming markets. Although Brazil holds a dominant position in Coffee, it is certainly more so in regard to Rubber, and we point to this example because there is less speculation in Rubber than in Coffee, and therefore the article is less influenced by rumours and stories circulated to influence markets.

Now with respect to consumption. In our circular of July 6th, 1900, we gave a table of figures which was then disputed in many quarters. How has it turned out? During the Winter of 1899-1900 computations were actively circulated trying to show that consumption was overtaking production, and that the increasing use of Coffee left 9,000,000 bags Rio and Santos, altogether too small, and that 10,000,000 bags were needed therewith. The world's deliveries from July, 1899, to April, 1901, decreased 11,200,000 bags! Does this mean a decrease of consumption, with declining markets? *Hardly*, it simply means that when markets are advancing the interior trade buys Coffee in excess of its requirements, and while less will do holders are reducing stocks, rich holders are enabled to keep surplus supplies—but probably lose courage to sell, when everything is pointing to lower values. We now frankly state that about 1,000,000 bags Coffee are held here, outside of the visible supply, by a few large roasters and holders. This has reference to stocks not counted in the American visible, produced as if delivered, and this Coffee, in most cases has been accumulating since the beginning of the large crop in 1895-1897, and is never counted in the official American visible.

Now, instead of 9,000,000 or 10,000,000 bags Rio and Santos Coffee being needed, the actual deliveries demonstrate the following facts:

In the crop year 1898-1899 with Rio and Santos yielding 8,871,000 bags. The World's Visible Supply increased 700,000 bags. Showing that only 8,000,000 bags Rio and Santos were required. In the crop year 1899-1900 with Rio and Santos yielding 8,500,000 bags. The World's Visible Supply decreased 300,000 bags.

Showing that a total quantity of 9,300,000 bags Rio and Santos were delivered.

But as deliveries the first nine months of this crop compared with the first nine months of the previous crop are 1,200,000 bags less, it not only proves that last season's deliveries were excessive, but it also proves that the claim the World requires 10,000,000 bags Rio and Santos Coffee has no good foundation, and even with a fair increase of consumption in three years the World's requirements scarcely reach 8,500,000 bags of Rio and Santos Coffee.

We are fully aware that all figures and arguments that do not favor higher prices for coffee are lost on the majority of the coffee world.

During the current crop, the most ridiculous events, rumors or assertions have been a deluge of renewed speculation, and among them we may mention the reports of smaller receipts in Santos from 1899 to 1900 bags a day — in 1900 (1900) bags a day — 20,000 bags a day — and any other that would point to falling of prices, or that the crop was finished, all has been taken as absolute fact and acted upon that the buying of large quantities of coffee by heavy capitalists not only meant an immediate advance, but that prices would be held up. But in the face of all this, we think that the credit advance of last year, as well as the heavy speculation in favor of higher prices, will not only prove fatal for the immediate future to consuming countries, but ultimately to producing countries, and all the more because the latter have been imbued with the idea that no matter how large their crops were, it was all wanted.

It cannot be ignored that Europe has large interests in coffee plantations, coffee people in Germany, in Holland (and also in London being large owners of coffee plantations and shares in plantation companies), and it must be admitted that this feature has biased merchants in regard to values of coffee, these interests in the raising of coffee being entirely in sympathy with values in producing markets being as high as possible, and, while it should be that consumers would wish to buy as low as possible, but for time, yet we see that consuming markets also buy as high as possible in producing markets. The interests of consuming markets in plantations offer the solution.

It has been claimed that Brazil cannot raise Coffee to satisfy options sold in New York at 6 cents. But herein lies an error. The lowest grade of Coffee on the New York Coffee Exchange, viz., No. 9 Type, has not been sold in Brazil during the current crop as low as 6 cents. The fact is, Brazil has not only been favored with large crops, but the quality of same has been exceedingly high, and therefore those who look upon New York options as being low at 6 cents are much misled, as the Coffee which has to be taken up on New York Exchange option contracts necessitates the payment of one and a half to two cents more than the option basis.

The lowest grade of Coffee known on the New York Coffee Exchange, viz., No. 9, has not sold as low as 6 cents during this crop, while the contract grade No. 7, since the 1st of July last, has shown an average considerably above 7 cents. It naturally makes a great deal of difference if producing countries are selling at 6 cents as an average price for the crop or 7 1/2

cents, and every Coffee-man knows that during the present crop Brazil has averaged fully 7 1/2 cents for the average grade.

Whether during the past twenty years Brazil has sold her Coffee at 20 mil reis per bag—or 100 milreis per bag—or whether Exchange in Brazil has been at 27 or 6 pence, it must be acknowledged that the price of the product has not been dependent upon either the milreis value or currency price or the rate of exchange. The value of Coffee has been governed exclusively by the size of the crops in Brazil.

In the month of December, 1900, with exchange at 9 1/2 pence, we bought Coffee in Rio and Santos at identically the same price, cost and freight, as we are now paying with exchange at 12 pence, and naturally the decline in price has been in the currency adjusting itself to the exchange rate.

Brazil for the present Coffee crop is receiving equal to some £ 6,000,000 to £ 7,000,000 Sterling more money than she received for the previous crop, and with a retrenchment at the same time in importations there, an enhancement of the value of the Milreis was a natural consequence.

Referring now to the coming crop season, we are of the opinion that Brazil will not receive as much Sterling for the 1901-1902 crop as she receives for the current crop; the difference may be quite large, so whether there will be a further rise in Exchange when the amount of Gold received for the crop is less instead of more is a problem that we, at this distance, do not attempt to solve.

As we are merchants doing a large import and export business with Brazil, we naturally hope that Brazilian currency will steadily enhance in value, as the higher ratio obtained for Brazilian money denotes confidence in the existing administration and the stability of affairs generally in the country; but the future value of Coffee will not be dependent upon the rate of exchange in Brazil nor upon speculation, no matter how large a scale it is indulged in, but entirely upon the natural influences of production and consumption.

There is no prime staple which should follow or does follow this law more closely than Coffee, as we have often demonstrated. During panicky times in the United States we have seen very high values for Coffee, but we have also seen rapidly declining markets for Coffee when times have been prosperous here, and this ought to carry its own lesson; for while nearly all other staple articles can be diverted into other channels or purposes to help out, such is not the case with Coffee. The consumption of Coffee as a stimulant in its own form, increase of consumption of coffee must be gradual, proportionate to the increase of population in civilized countries. If Brazil desires a higher price for Coffee, it can be obtained only through decreased production, as it is a demonstrated fact, shown by the increase of supplies, that consumption is absolutely unable to keep pace with the rapid increase of production, and all artificial means to increase the value of the article will only bring about great disaster later on when working against natural influences.

W. H. Crossman & Bro.

Shipping, Produce & Imports

ARRIVALS AT THE PORT OF RIO DE JANEIRO DURING THE WEEK ENDING MAY 4th 1901

DATE	NAME OF VESSEL	FLAG	RIG	TON-NAGE	FROM
April	28 <i>Mechinus</i>	Belgian	S. S.	1,930	New York
	28 <i>Megny</i>	Brazilian	do	378	Victoria
	29 <i>Thalys</i>	British	do	3,349	Southampton
	29 <i>Rio</i>	German	do	2,046	Hamburg
	29 <i>Provenca</i>	French	do	2,130	Marseilles
	30 <i>Palme</i>	Austrian	do	1,280	Trieste
	30 <i>Rio Parib</i>	Brazilian	do	1,023	Pernambuco
	30 <i>Sapucaia</i>	Brazilian	do	1,750	Santos
	30 <i>Ritober</i>	British	do	403	Porto Alegre
	1 <i>Nov</i>	Brazilian	do	3,425	River Plate
	1 <i>Panama</i>	do	do	888	Manaos
May	1 <i>Fidelense</i>	do	do	259	S. João da Barra
	2 <i>Porto Alegre</i>	do	do	916	Montevideo
	2 <i>Itaja</i>	do	do	152	Pernambuco
	2 <i>Recife</i>	do	do	6-4	Santos
	2 <i>Itatuba</i>	do	do	717	Porto Alegre
	2 <i>Itabora</i>	do	do	50	Cabo Frio
	2 <i>Despique</i>	do	do	30	do
	3 <i>Bougreva</i>	British	S. S.	1,930	Norfolk
	3 <i>Costa</i>	do	do	2,821	Cardiff
	3 <i>Entreprise</i>	do	do	1,241	do
	3 <i>Pará</i>	Brazilian	do	404	Pernambuco
	3 <i>Alma</i>	do	do	177	Aracaju
	3 <i>Alma</i>	do	do	3,058	Santos
3 <i>Tremann</i>	German	do	33	Cabo Frio	
3 <i>Alma</i>	Brazilian	Schooner	927	Santos	
3 <i>Amazonas</i>	do	S. S.	1,109	Manaos	
4 <i>Manaos</i>	do	do	144	Santos	
4 <i>Manaos</i>	do	do	2,438	Cardiff	

ARRIVALS AT THE PORT OF SANTOS DURING THE WEEK ENDING MAY 3rd. 1901

DATE	NAME OF VESSEL	FLAG	RIG	TON-NAGE	FROM
Apr.	28 <i>S. Francisco</i>	Spanish	S. S.	1,672	Bilbao
	28 <i>Itataya</i>	Brazilian	do	403	Porto Alegre
	29 <i>Garcia</i>	do	do	411	Itatuba
	29 <i>Constança</i>	do	Schooner	25	Pruca
	30 <i>Recife</i>	do	S. S.	684	Pará
	30 <i>Stolberg</i>	German	do	1,553	Bremen
May	30 <i>Felippe Lussich</i>	Argentine	do	1,424	Buenos Aires
	30 <i>Provenca</i>	French	do	2,130	Marseilles
	1 <i>Porto Alegre</i>	Brazilian	do	916	Montevideo
	1 <i>Cordovan</i>	French	do	2,014	Bordeaux
	2 <i>Santos</i>	Brazilian	do	966	Rio de Janeiro
	2 <i>Fulham</i>	British	do	1,277	Ros. Santa Fé
	2 <i>Palme</i>	Austrian	do	1,280	Trieste
	2 <i>Rio</i>	German	do	2,046	Hamburg
	2 <i>Alexandra</i>	Brazilian	do	317	Pio de Janeiro

SAILINGS FROM THE PORT OF RIO DE JANEIRO

DURING THE WEEK ENDING MAY 4th, 1901

DATE	NAME OF VESSEL	FLAG	RIG	TON- NAGE	TO
April 28	<i>Espirito Santo</i>	Brazilian	S. S.	1,181	Manaos
28	<i>Boleao</i>	do	do	650	Pará
28	<i>Itaquei</i>	do	do	512	Pernambuco
28	<i>Recife</i>	do	do	644	Santos
28	<i>Minho</i>	Portuguese	Schooner	247	Oporto
28	<i>Competitio</i>	Brazilian	do	195	Mucury
28	<i>Jorge</i>	do	do	32	S. João da Barra
29	<i>Esksida</i>	British	S. S.	1,838	New Orleans
29	<i>Propozer</i>	French	do	2,130	River Plate
29	<i>Stalberg</i>	German	do	1,553	Santos
30	<i>Thames</i>	British	do	3,369	Buenos Ayres
30	<i>Laudonia</i>	do	do	2,625	do
30	<i>Sud</i>	Argentine	do	805	do
30	<i>Anat</i>	Brazilian	Schooner	158	Itabapoana
30	<i>Macabens</i>	do	do	30	Macahé
May 1	<i>Nite</i>	British	S. S.	3,425	Southampton
1	<i>Santos</i>	Brazilian	do	916	Montevideo
1	<i>Polluce</i>	Austrian	do	1,280	Santos
1	<i>Rio</i>	German	do	2,046	do
1	<i>Alexandria</i>	Brazilian	do	317	S. Francisco
1	<i>Lancina</i>	British	Schooner	518	Barbadoes
1	<i>Emile</i>	Brazilian	do	227	Itajahy
2	<i>Iris</i>	do	S. S.	839	Bahia
2	<i>Fjord</i>	Norwegian	Barque	1,078	Ship Island
2	<i>Felix</i>	Brazilian	Schooner	146	Itajahy
3	<i>Herbano</i>	Belgian	S. S.	1,930	New York
3	<i>Blanchina</i>	British	do	1,517	Buenos Aires
3	<i>Infago</i>	Brazilian	do	403	Pernambuco
3	<i>Habibi</i>	do	do	497	Macahé
3	<i>Vencedor</i>	do	Schooner	27	do
4	<i>Popanduz</i>	Brazilian	S. S.	1,180	Manaos
4	<i>Dons Francis</i>	do	Schooner	39	Cabo Frio
4	<i>Tucuman</i>	German	S. S.	3,053	Hamburg
4	<i>União</i>	Brazilian	do	431	Ceará
4	<i>Rakuba</i>	do	do	717	Porte Alegre

SAILINGS FROM THE PORT OF SANTOS

DURING THE WEEK ENDING MAY 3rd, 1901

DATE	NAME OF VESSEL	FLAG	RIG	TON- NAGE	TO
Apr. 28	<i>Norington</i>	British	S. S.	1,617	Buenos Aires
28	<i>San Francisco</i>	Spanish	do	1,672	do
28	<i>Morgenpy</i>	Norwegian	Barque	587	Channel f. o.
28	<i>Natiaz</i>	Brazilian	S. S.	403	Pernambuco
29	<i>Garcia</i>	do	do	441	Rio de Janeiro
29	<i>Syranus</i>	German	do	1,759	New York
30	<i>Alert</i>	British	Barque	531	Hillstro
May 1	<i>Provence</i>	French	S. Ss	2,130	Buenos Aires
1	<i>Recife</i>	Brazilian	do	684	Pará
1	<i>Porto Alegre</i>	do	do	916	Rio de Janeiro
2	<i>Cyprian Prince</i>	British	do	1,193	Barbadoes
2	<i>Tucuman</i>	German	do	3,058	Hamburg
2	<i>Corduan</i>	French	do	2,094	Buenos Aires
2	<i>Amazonis</i>	Brazilian	do	924	Rio de Janeiro
2	<i>Santos</i>	do	do	900	Montevideo

FOREIGN STEAMERS IN RIO DE JANEIRO HARBOUR

ON MAY 4th 1901

		Tons.
British	<i>Avis</i>	2,020
do	<i>Borgport</i>	1,939
do	<i>Chalmers</i>	2,571
do	<i>Coningsby</i>	2,158
do	<i>Enterprise</i>	1,214
do	<i>Llanover</i>	2,438
do	<i>Parani</i>	1,962
do	<i>Racenshoe</i>	2,351
do	<i>Rosab</i>	2,821
do	<i>Sihari</i>	2,665
German	<i>Franz Horn</i>	939
do	<i>Syracus</i>	1,759
Total		24,897

FOREIGN SAILING VESSELS IN RIO DE JANEIRO HARBOUR

ON MAY 4th 1901

		Tons.
American	<i>Justine H. Ingersoll</i>	551
do	<i>Josephine</i>	370
Argentine	<i>Moses B. Tower</i>	599
British	<i>Belvidere</i>	761
do	<i>Egoria</i>	846
do	<i>Lancashire</i>	1,144
Norwegian	<i>Prince Louis</i>	1,323
do	<i>Prince Regent</i>	1,316
do	<i>Two Brothers</i>	899
Total		8,309

FOREIGN STEAMERS IN SANTOS HARBOUR ON MAY 3rd 1901

Argentine.	<i>Felippe Lussich</i>	1,221
Austrian.	<i>Polluce</i>	1,230
British.	<i>Calderon</i>	2,650
do	<i>Dora</i>	1,457
do	<i>Eshtale</i>	1,926
do	<i>Fulham</i>	1,277
do	<i>Malvern</i>	1,628
do	<i>Roman Prince</i>	1,221
do	<i>Severn</i>	2,125
French	<i>Carolina</i>	2,136
German	<i>Stalberg</i>	1,553
		18,474

LIST OF VESSELS AFLOAT AND SAILING FOR RIO

AS PER LATEST ADVICES

NAME	FLAG AND DESCRIPTION	FROM
<i>Eagle Wing</i>	Am. sc.	Baltimore . . . Mar. 7
<i>Mouropis</i>	Br. s.	Liverpool . . . Dec. 14
<i>Maria Blanquer</i>	Sp. bq.	Cardiff . . . Nov. 21
<i>Tendin</i>	No. s.	Norfolk . . . Mar. 12
<i>Arcaid</i>	No. s.	Leith . . . Mar. 4
<i>Bristol</i>	Br. sc.	Pensacola . . . Mar. 1
<i>Clinton</i>	Br. s. a.	Barry . . . Apr. 15
<i>Hambuda</i>	br. s.	Pensacola . . . Mar. 15
<i>Triumpho</i>	po. bq.	Oporto . . . Mar. 25
<i>Venturosa</i>	po. bq.	Oporto . . . Mar. 15

LIST OF VESSELS AFLOAT AND SAILING FOR SANTOS

AS PER LATEST ADVICES

NAME	FLAG AND DESCRIPTION	FROM
<i>Conning</i>	Br. s. s.	Liverpool . . . Mar. 29
<i>Soudsend</i>	Br. s. s.	Barry . . . Mar. 24
<i>Glencoy</i>	No. sc.	Tamatave . . . Mar. 13
<i>Rosa</i>	Da. bg.	Hamburg . . . Mar. 12
<i>Craigmark</i>	Br. s. s.	Barry . . . Apr. 1

THE FREIGHT MARKETS

British Market.— The condition of the freight market continues much about the same as last week. Business is difficult to bring about. negotiations being long and tedious, while more frequently than not they end unsatisfactorily. Whether there is going to be much change for the better in the near future is doubtful, as every day seems to bring forward convincing evidence that the supply of tonnage has far and away out-distanced the demand. *Fairplay*, April 11.

Argentine Market — Rates to the Brazilian Coast are now even for upriver and below-bar ports, 17s/ being paid for Rio and Santos for small parcels and 1s less for parcels of 1000 tons upwards. These rates combined with cattle on deck at 30s per head are reckoned to keep boats in fair employment pending a reaction in homeward rates. *Times of Argentina*, April 22.

Current Coffee Rates for the Week ending May 4th

	RIO	SANTOS
Antwerp 1,000 kilos	35/ & 5%	30/- & 5%
Alexandria	60 frcs. & 10%	
Algoa Bay	50s. & 2 1/2%	
Bremen	35/ & 5%	
Bordeaux, 900 kilos	40 frcs. & 10%	
Buenos Ayres per bag. 60 kilos.	33/000.	35 frcs. & 10%
Bayrouth	75 frcs. & 10%	
Copenhagen	37/6 & 5%	32/6 & 5%
Cape Town, via Engl. 1,000 ks.	50s. & 2 1/2%	
Constantinople	55 1/2 frcs. & 10%	
Delagoa Bay	57s. 6d. & 2 1/2%	
East London	57s. 6d. & 2 1/2%	
Fiume	45s. & 5%	40s. & 5%
Galveston (via N. Orleans)	50c. & 5%	
Genoa 1,000 kilos	40 frcs. & 10%	40 frcs. & 10 %
Hamburg	35/ & 5%	30/- & 5%
Havre, 900 kilos	30 frcs. & 10%	30 frcs. & 10
Lisbon	30s.	
Liverpool	35/ & 5%	
London 1,000 kilos	30/ & 5%	35s. & 5 %
Marseilles 1,000 kilos	40 frcs. & 10%	30 frcs. & 10 %
Montevideo per bag. 60 kilos	33/000	35 frcs. & 10%
Mossel Bay	57s. 6d. & 2 1/2%	
Naples	48 1/2 frcs. & 10%	
New York, Liners	35c. & 5%	
N. Orleans Liners	35c. & 5%	
Odessa	62 frcs. & 10%	
Port Elizabeth 1,000 kilos	50s. & 2 1/2%	
Port Natal	57s. 6d. & 2 1/2%	
Punta Arenas	60/ & 5%	
Rosario per bag. 60 kilos	33/000	
Rotterdam	35/ & 5%	30/- & 5%
Smyrna	55 1/2 frcs. & 10%	

Southampton 1,000 kilos	30s. & 5 %	30s. & 5 %
Talcahuano	45s. & 5 %	40s. & 5 %
Trieste	45s. & 5 %	
Valparaiso	45s. & 5 %	
Venice	50s. & 5 %	45s. & 5 %

FROM OUR CORRESPONDENT

Permanubus 25 April 1901.

Sugar. There has been very little movement during the fortnight and prices are again lower all-round for qualities suitable for home consumption. *Brito* prices have not suffered much, but with higher exchange, there is less desire shown by exporters to continue paying present values. Early last week some *mas-garinhos* were sold for export at 2830 and *clayed* at 2800 to 2810 but these prices are no longer obtainable.

To days quotations are as under and nominal:—

Usinas	3800 to 4200	per 15 kilos on shore. No Buyers
Crystals White	3850 to 3880
Yellow	2850
Whites 3 rd Row	3800 to 3850
Reg.	3800 to 4100
Sommas	2800 to 3800 small quantity
Masavindo	2800 small sales for expt
Clayed	2800 to 2810 a 2800
<i>Brito</i> Segos	18700 to 24000 a 18700
m-fado	1800 Sales
Retames	1800

Entries continue to be in excess of those of last year and for past 2 weeks have been 98,874 bags as compared with 71,261 same time last year. The coastwise exports have been small and for fortnight are only 11,159 bags to Rio and 8,659 Santos. To Liverpool 12,916 bags per *Scholar*, 3,900 per *Sorata*, and to New York 21,765 per *Pendances*, latter having gone to Maceio to complete.

Leading here

S. S. <i>Orion</i> for Liverpool about	2,000 tons
S. S. <i>Byron</i> to States about	2,000 "

And two boats expected.

Cotton. Only small sales during the fortnight at 12800 down to 11800. Exporters are holding off and talk of only 11800, but probably 11500 would be paid for small lots. Liverpool market is rather better, but exchange prevents buyers operating, the currency value not being over 10800. Entries continue small and to date are only 9,081 bags against 21,586 to same date last year.

Freights: Three or there steamers chartered in Europe to load here and Maceio for States at from 11s. 9d. to 12s. 6d. Cargo is now getting very scarce and shippers refuse to compromise themselves at more at present, and past few days have refused to offer even 10s. for moderate sized steamers for States. To Liverpool rates are nominally unchanged but no cargo offers and S. S. *Orion* is not yet a full ship.

Average Prices Values &c. at B. Aires for week ending April 25th

	1901	1900
Wheat, now per 100 kilos	5.40	6.40
Maize, per 100 kilos	1.00	3.50
Linsced per 100 kilos	11.80	14.00
Wool (cross) per 10 kilos	6.00	1.00
Wool (fine), per 10 kilos	7.40	5.00
Dry ox hides, per 10 kilos	8.20	7.50
Horse hides, each	4.00	3.00
Hay per ton	30.00	24.00
Hair, per 10 kilos	14.00	10.50
Sheepskins, per kilo	0.74	0.45
Gold price	227.30	230.21
Exchange—London	48 5/8	48 3/4
Discounts	8 1/2 p.c.	7 1/2 p.c.
Freights—sales	18s.	—
Grain sail freights—Rosario	25s. 6d.	25s.

THE COAL TRADE

In South Wales there was a stronger feeling before Easter, due to heavy arrivals of tonnage and to expectation of scarcity of coal after the holi days, which may be prolonged. The audit of the Wages Board showed that the average realised price of the last two months necessitates an advance of 5 per cent. in the wages just when wages in Northumberland are being reduced. The rate will now be 78 per cent. above the standard of 1875, and is the highest on record. In the face of this, coal owners are naturally inclined to look for higher prices, but, indeed, they have a chronic inclination that way. Best Cardiff steam coal was 17s. 6d. before the holidays, which are not over while these lines are being written. *Telegraph*, April 11.

W. Martin Maddock

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STEAM SHIP & GENERAL COMMISSION
DESPATCHING AGENT.
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Meetings of Companies and Directors' Reports

SÃO PAULO (BRAZILIAN) RAILWAY

The report of the directors of the São Paulo (Brazilian) Railway Company, Ltd., for the half year ended 31st December last, and presented at the meeting held in London on 24th ulto, states that the receipts amounted to Rs. 13,793,258,000, an increase of Rs. 1,838,947,800. The working expenses were Rs. 4,775,987,270, or 34.61 per cent. of the gross receipts, and the net revenue was Rs. 9,022,568,820. This, at the several rates of exchange at which the remittances for the half-year were made, amounted to £ 3,87,012, against £ 2,26,295 in 1899. The traffic has been conducted with safety and regularity. The whole of the new works in connection with the doubling of the line are now finished, and have been accepted by the Government with the exception of the Serra inclines, which it is expected will be accepted shortly. The cost of these works has, however, exceeded the £ 3,000,000 of new capital by about £ 300,000, towards which the balance of premium fund £ 181,197, has been applied, leaving about £ 129,000 to be gradually liquidated out of earnings. The balance for the half-year, after payment of the interest on the debenture stocks and including £ 41,170 brought forward, is £ 376,768. The directors propose a dividend on the preference stock at the rate of 5 per cent. per annum and on the ordinary stock at the rate of 8 per cent. per annum, together with a bonus of 1 per cent. They further propose to place £ 100,000 to the reserve fund, and after providing for income-tax to carry forward £ 82,367. The reserve fund has been credited with £ 27,479 reserved against contingencies which have not arisen. These additions will raise this fund to £ 355,024.

CAMPOS AND CARANGOLA RAILWAY

In our last issue a short summary was given of the proceedings at the meeting of Debenture holders of this company. At the request of some subscribers interested in same we now give the particulars in full.

A meeting of the holders of 5 per cent. debentures, of the Campos and Carangola Railway Company was held on April 30 at Winchester House, Old Broad-street, E. C., to consider an agreement with the Leopoldina Railway Company Ltd., for the service of the 5 1/2 per cent. debentures. Mr. Alfred L. Cohen (of the firm of Messrs. Louis Cohen and Sons) presided.

Mr. E. J. W. Withe read the notice convening the meeting. The Chairman said: Ladies and Gentlemen,— Before explaining the arrangement for the future service of the Carangola debentures which I shall submit in a few moments for your approval, it may be convenient to summarise in a few words the phases through which the Campos and Carangola Company has passed, and the position of the bonds of which you are the holders. As you are aware, the debentures were issued in 1881, and were secured, inter alia, by the guarantee of the Imperial Government of Brazil as it then was. I need not refer in detail to the vicissitudes through which the Campos and Carangola Company has passed since the bonds were issued. It will suffice to remind you that the company was transferred by decree of the Government of Brazil first to the Araruama Company, and then to the old Leopoldina Company of Brazil, which became possessed by virtue of that decree of all the assets of the Campos and Carangola Company, and which assumed entire responsibility for the service, interest and sinking fund of the Campos and Carangola debentures, as recorded by the stamp affixed on your bonds. During the vicissitudes of the old Leopoldina Company, notwithstanding its default upon its bonds, the service of the Campos and Carangola debentures, both interest and sinking fund, has been regularly and punctually met. It has been so met in consequence of the Government guarantee on which these bonds were secured, and, although I am unwilling to refer to the vigilance with which we have tried to protect your interests, I may add that it was not without such continued and constant exercise on the part of ourselves, and on the part of the able agents by whom we were represented in Rio, Messrs. Norton, Megaw and Co., that this punctuality was maintained. When the old Leopoldina Company was liquidated, the position of the Campos and Carangola entered on a new phase; the engagement of the old company had ceased to have moral value, and questions arose as to the Government guarantee. This matter was referred to by the Chairman of the present Leopoldina Company at the first meeting of that company in March 1898, when he said that there was litigation about two of the lines incorporated in the Leopoldina system, of which your Campos and Carangola was one. This litigation has been proceeding continuously since that time. At one moment, by a decision of some Court in Brazil, some local bondholders obtained possession of the line, but the Leopoldina Company appealed, and, after carrying the questions through various Courts, the matter is, we believe, finally decided, and the Leopoldina Company is now in possession of the line. During all this period the interest on your bonds has been punctually met, and, although these bonds drawn have not been redeemed, the interest on these bonds has been paid as if they had been drawn.

CONDITIONS OF THE AGREEMENT

By the agreement now submitted to you the bonds drawn in 1888 and 1899 will be paid by the Leopoldina Company on the 1st July next, so that the holders of those bonds will have gained rather than lost by the delay, and the Leopoldina Company have undertaken that, in the event of their obtaining the sum necessary from the Brazilian Government — and it has been voted in the Budget — the bonds drawn in 1900 will be paid as soon as possible after receipt of the money, and, further, should there be a surplus — which, if the money voted is integrally paid, there will be — that surplus shall be applied to the reimbursement of a further amount of bonds to be drawn by lot. The interest during the whole of the currency of the guarantee will be undertaken by the absolute engagement of the Leopoldina Company, to be stamped upon each bond. I now come to the bonds

which will be outstanding in 1905, when the Government guarantee, as you are aware, terminates. At present there is no provision for them, but the agreement provides that these bonds shall be converted as from 1st January, 1905, into shares at par of the Leopoldina Company, Ltd. There can be no doubt that the whole Leopoldina system is a property of great value, and, with the development now assured, we have every hope it will be so remunerative to its shareholders. The prospects of the Campos and Carangola, working alone, seem to us less assured, though, united to the Leopoldina Company, it will prove a valuable feeder. In the year 1895 we find that the line only earned a net sum of £5000, and in the year 1896 there was a loss on the working of £2,100. We, therefore, came to the conclusion that it was in our interest to come to an arrangement with the Leopoldina Company, and we have obtained for you the best terms that we were able, that is, of course, impossible to forecast what will be the yield in 1901 of the ordinary shares of the Leopoldina Company. On that point probably even Mr. Herdman, who is present, would hesitate to pronounce an opinion, but we are justified in confidently expecting that, freed as the company will be from litigation, and enjoying, we hope, a growing prosperity, the return to its shareholders will be more than at present, so that the yield to the Carangola bondholders may be something approaching their present terminable annuity. We think that the agreement we submit gives you increased security and avoids all possible litigation in Brazil, and secures the future of the line of which the prosperity has up till now been much retarded by the litigation and vicissitudes through which the various sections have passed. Mr. Herdman, the Chairman of the Leopoldina Company, is present, and will answer any questions as to the future of the line. We have all along acted with him and his firm in friendly co-operation. He has given us considerable assistance, and you will have seen that, after your approval to-day, the agreement is to be submitted to the shareholders of the Leopoldina Company at the forthcoming meeting in May. I do not think that I need trespass further on your time, and I leave now every consideration in submitting for your acceptance the following resolution:—That the meeting of Campos and Carangola debenture holders approves and adopts the agreement concluded 22nd March, 1901, with the Leopoldina Railway Company, Ltd., and resolves that the Campos and Carangola bonds shall be presented at the offices of the Leopoldina Company in compliance with the terms of the contract. (Applause.)

Mr. M. G. Megaw, in seconding the resolution, said he believed that the bondholders would accept the proposal before the meeting without dissent, as it was by far the best arrangement possible in their own interests. As a bondholder himself he would have no hesitation in accepting the resolution. Being in Brazil before the Leopoldina Company existed and before the Campos and Carangola Railway was ever thought of, he knew perfectly well that it was in the power of the Leopoldina Company, should the bondholders decide to work the Campos and Carangola line themselves, to seriously hamper the railway. Although he did not think Mr. Herdman and his colleagues had any intention of acting in a hostile manner—(hear, hear)—they must take the possibility into consideration. Mr. Alfred Cohen had been very persistent in his efforts to protect the interests of the bondholders during the past seven or eight years, and they were greatly indebted to his firm. (Hear, hear.) The Brazilian Government had acted, in his judgment, under trying circumstances, most honourably towards the company. Eventually the bondholders would acquire an interest in the Leopoldina Railway, which, he believed, would turn out a very good property.

A COUNTER PROPOSITION

Mr. Allen Brown contended that the bondholders' security was not only a first charge on the Government guarantee, but also a first mortgage on the line, and it behooved them to look after their interests. Under the present proposal they were offered the interest on their bonds to 1905, and the promise that the Leopoldina Company would do their best to obtain for them the guarantee of the Brazilian Government. The Government might not choose to pay. Under the scheme he felt that the bondholders would lose half their money, and more. Therefore, it was unsuitable, and to his mind, if the proposal was to take the place of the original guarantees that were given to the Campos and Carangola Railway bondholders, it carried very poor security. In conclusion, he moved as an amendment that the agreement be adopted subject to the company being paid off in 4 per cent. debenture stock of the Leopoldina Railway instead of ordinary stock. (Hear, hear.)

Mr. B. L. Cohen, M. P., said that Mr. Brown's amendment was not practicable. On the authority of Mr. Megaw, and his own knowledge of the situation, they would be prejudicing their own interests by adopting such a course. Then, again, it could not be rendered effective until the Leopoldina shareholders have given their assent to the concession on that condition. They would have liked nothing better than to convert the bonds into debenture stock of the Leopoldina Railway, but it was a course which, in the interests of the Leopoldina shareholders, Mr. Herdman and the colleagues could not conceive. He was obliged to say that although his firm was sincerely anxious to promote the bondholders' interests, they did not feel they had any right to insist upon an unreasonable condition. As a matter of fact, the Campos and Carangola did not carry a first mortgage over the railway. On the expiry of the Government guarantee the bondholders would be left high and dry with the railway, which he did not think could be managed from England at all. He urged upon them to accept the agreement, which secured increased interest greater solidity during the currency of the guarantee, and, finally, an income far superior to that which would accrue if they worked the railway themselves. (Applause.)

The Chairman ruled Mr. Brown's amendment out of order. During some further discussion on the points raised by Mr. Brown, that gentleman moved the appointment of a committee to consider the arrangement, at the same time endeavouring to obtain better terms from the Leopoldina Railway Company, which amendment, on being submitted to the meeting, was negatived.

Mr. Brown then moved the adjournment of the meeting for one month, which met with the same fate as his previous amendment, and the original resolution, on being submitted, was carried by a large majority.

Mr. Lawrence Baker suggested that Mr. Herdman should give the meeting some information regarding the progress of the Leopoldina Railway.

Mr. Herdman (Chairman of the Leopoldina Railway Company) said he must defer giving such particulars until the meeting of the Leopoldina Company, which would be held in a few weeks' time.

A cordial vote of thanks to Messrs. Louis Cohen and Sons for their able and satisfactory endeavours on behalf of the bondholders, terminated the proceedings.

RIO CLARO S. PAULO RAILWAY

The report of the directors of the above Company, for the year ended 31st March last, which was presented to the meeting last month of this month, that the income arising from the interest on the £2,531,500 5 per cent. bonds of the Paulista Company and from the other investments amounted to £136,350, to which has to be added £402 received for transfer fees, making £136,752. Deducting therefrom £30,000 for interest on debenture stock and £2,908 for charges in London and income-tax there remains £103,844 as net revenue. After including the balance of £2,797 brought from last year there remains a sum available of £106,641. An interim dividend of 7 per cent. was paid on the 17th October last, absorbing £72,509, and the directors now recommend a final dividend of 7 per cent., making 14 per cent. for the year. This will require £72,509, and leave £34,132 to be carried forward. The reserve fund remains at £10,000. In accordance with the terms of issue of the Paulista 5 per cent. bonds, all of which are in the hands of the company, 321 bonds of £100 each were redeemed on the 1st of this month, leaving £2,308,100 of these bonds still outstanding. The proceeds of the bonds now redeemed, £23,400, are being invested.

Railway News and Enterprise.

SUNDRY TRAFFIC RETURNS.

Railway	Mileage		Latest Earnings Reported		Aggregate to date		
	1901	1900	Wk. or Month.	1901	1900	1901	1900
Alagoas	96	91	Jan.	143,583	138,088	893,157	822,115
Bahia & S. F.	70 3/4	76 3/4	Mar. 9	2,721	2,075	21,050	28,797
Timbó	55	55	"	226	221	226	221
Braz. G. T. S.	110	110	Feb.	42,441	42,444	27,555	154,000
Central Bahia	197	197	Feb.	3,330	4,486	6,312	9,786
Don. Ther. Chris.	73	73	Mar.	10,795	8,819	88,054	98,511
G. W. of Brazil	104	87	Apr. 13	974-87	891-4	19,188	22,421
Leopoldina	1,312	1,323	Apr. 27	40,791	8,967	181,346	153,623
Minas Rio	103	103	"	113,892	131,205	317,763	691,848
S. B. Rio Gr.	283	283	Mar.	175,024	145,631	470,420	412,444
Recife & S. F.	77 1/2	77 1/2	Mar. 15	65,586	511,233	484,657	83,501
S. Paulo	89 1/2	86 1/2	Mar. 3	10,433	9,431	—	—

^a Earnings reported in pounds *l* in mil reis.

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ESTRADA DE FERRO GREAT WESTERN OF BRAZIL

Horario dos trens que conduzem passageiros a vigorar de 20 de Setembro de 1900 até segunda ordem

ESTAÇÕES	A		B		C		ESTAÇÕES	A		B		C	
	A. M.	P. M.	P. M.	P. M.	A. M.	P. M.		A. M.	A. M.	A. M.	P. M.	A. M.	P. M.
RECIFE	7.05	2.50	5.05	6.45	—	—	TIMBAUBA	—	—	—	1.40	—	—
ENCRUZILHADA	7.14	2.59	5.13	6.52	—	—	Pureza	—	—	—	1.35	—	—
ARRAIAL	7.22	3.07	5.21	7.00	—	—	Alliança	—	—	—	2.00	—	—
MACACOS	7.36	3.25	5.42	—	—	—	Baraúna	—	—	—	2.17	—	—
Fabrica Industrial (Parada)	—	—	5.49	—	—	—	Lagôa Secca	—	—	—	2.36	—	—
CAMARAGIBE	7.50	3.37	5.56	—	—	—	Lagôa (Parada)	—	—	—	2.49	—	—
S. LOURENÇO	8.19	3.58	6.15	—	—	—	NAZARETH	—	—	—	3.08	—	—
TIUMA	8.29	4.13	6.35	—	—	—	Tracunhaem	—	—	—	3.22	—	—
Santa Rita	9.00	4.57	—	—	—	—	LIMOEIRO	—	—	6.00	—	8.25	2.35
S. Severino	9.10	5.07	—	—	—	—	Campo Grande	—	—	—	6.21	—	8.48
Pão d'Alho	—	—	—	—	9.42	3.50	Lagôa do Carro	—	—	—	6.38	—	9.08
CARPINA	—	—	—	—	10.03	4.11	CARPINA	—	—	—	7.03	3.45	9.30
Lagôa do Carro	—	—	—	—	10.21	4.30	Santa Rita	—	—	—	7.34	4.15	—
Campo Grande	—	—	—	—	10.40	4.50	S. LOURENÇO (Parada)	—	—	—	7.40	4.21	—
LIMOEIRO	—	—	—	—	—	—	Santa Rita	—	—	—	8.01	4.38	—
Tracunhaem	9.55	—	—	—	—	—	TIUMA	—	—	7.40	8.23	4.56	—
NAZARETH	10.10	—	—	—	—	—	S. LOURENÇO	—	—	8.07	8.39	5.12	—
Lago (Parada)	10.21	—	—	—	—	—	CAMARAGIBE	—	—	8.23	8.56	5.27	—
Lagôa Secca	10.37	—	—	—	—	—	Fabrica Industrial (Parada)	—	—	—	8.28	—	—
Baraúna	10.55	—	—	—	—	—	MACACOS	—	—	8.31	9.13	5.40	—
Alliança	11.11	—	—	—	—	—	ARRAIAL	—	—	8.45	8.59	5.55	—
Pureza	11.35	—	—	—	—	—	ENCRUZILHADA	—	—	8.23	8.58	9.43	6.05
TIMBAUBA	12.00	—	—	—	—	—	RECIFE	—	—	8.30	9.05	9.36	6.12

Os trens marcados com a letra **A** correrão todos os dias, os da letra **B** somente nos dias uteis e os da letra **C** nos domingos e dias santificados.

PROLONGAMENTO DE TIMBAUBA A PILAR

Nas segundas, quartas-feiras e subbados, na 1.ª secção deste prolongamento ha tambem os seguintes trens :

De Rosa e Silva para Timbaúba ás 10.40 A. M.
De Timbaúba para Rosa e Silva á 1.30 P. M.

A. H. A. KNOX LITTLE,
Gerente.

COMPANHIA DE LOTERIAS NACIONAES DO BRAZIL

SÉDE, RUA NOVA DO OUVIDOR N. 29 E 29 A

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SUPPLEMENT

RIO DE JANEIRO, TUESDAY, MAY 7th, 1901.

MESSAGE addressed to the Congress of the State of S. Paulo

BY THE

President, Dr. FRANCISCO DE PAULA RODRIGUES ALVES, on the 7th April, 1901.

GENTLEMEN :

In accordance with constitutional practice, I now proceed to place before you the following information regarding the course of public affairs, together with my views as to the measures which should be adopted for the promotion of the interests of this State.

This being the first time I have had this honour, allow me, while congratulating you on the occasion which brings us together, to express my confidence that the cordiality which has characterised our mutual relations will, while engaged in working for the progress and prosperity of our State, suffer no alteration.

The session of the present legislature has exceptional importance. The first constitutional decennial period having been completed, it now becomes your duty to make an entire revision of the Constitution in order to ascertain whether any of its provisions are in need of reform. In the hope of assisting you in the performance of this exalted function, I have had published two important works on the constitution of the State, which will in due course be offered to you and with the same end in view, have requested officials to make known what experience in the exercise of their duties may have suggested.

The State confides fully in your patriotism and judgment and awaits with interest the outcome of the present session.

The multiplex and often conflicting interests which agitate this section of the Union demand an immediate settlement and are the measure of our own responsibilities showing how urgent it is that petty rivalry should be put aside and all work harmoniously together for the good and the progress of the Country.

Fortunately the republican system is firmly rooted in the hearts of nearly all Brazilians; and his would be a dishonest, and ungrateful task who should undertake to persuade the States to relinquish the advantages secured by federation, to which they owe the impulse they now enjoy.

Those who in a spirit of hostility or false patriotism insinuate, here or abroad, that the wide liberty of action conceded to the States constitutes a defect in the system of government and a menace to the integrity of the country, are greatly mistaken.

This paltry insinuation which has impeded the complete re-establishment of the confidence necessary for the employment of foreign capital in the country must be dissipated, once and for ever, by resolute perseverance in the policy of solidarity observed by the government of the States, so that the bonds of national unity, the indispensable condition of greatness, may not be weakened.

We must never be discouraged in this work, and must use every effort to dissipate the erroneous belief that the immense territory which constitutes the Brazilian Republic can ever be politically disintegrated and cherish the principle of union for the common aggrandisement and

the maintenance and perfection of the liberty they all enjoy.

I am happy to remind you, in this connection, that the post of supreme power in the federal government is occupied by an illustrious citizen endeared to our State, who has shown himself to be possessed of the energy and patriotism demanded by the nation which raised him to his exalted position.

Counting upon the support and assistance of all parties, and sure that the harmonious action of the different powers will secure the success of the measure called for by the necessities of the public service, I shall continue to exercise the moderation, toleration, and justice that are imposed by the responsibilities of my office.

THE GENERAL SITUATION.

The general situation of the State is encouraging, notwithstanding difficulties originating outside its boundaries in the financial crisis through which the whole country is passing, aggravated by the low price of coffee.

To the energy of my honoured predecessor and to the judgment with which he administered the affairs of the State, — although but for a short period — and to the productive power of our lands, is chiefly due this satisfactory state of affairs, which it will be your duty to assist me in maintaining and improving.

Great part of the difficulties encountered in dealing with the crisis has been attributed to defects in our fiscal system, or the improper distribution of revenues by the Republic, it being alleged that the Union was not sufficiently endowed with resources to meet the cost of government and the charges with which the budget was burdened.

Admitting that the division of revenues might have been better formulated by the framers of our Constitution, I had occasion in 1896 to allude in an official document to the belief, cleverly utilised, that in the distribution of revenues the Federal Government had been left without the means of meeting expenses" and to show the groundlessness of the charge.

Examination of the budget of the Union has convinced me that the Constitution was not improvident, and furnished the administration in reality with resources amply sufficient for the fulfilment of its great responsibilities. The last budget of the Empire approved by Law No 3396 of 24th Nov. 1888, estimated the general revenue at 147,200,000\$ and fixed the expenses for 1889 at 153,148,442\$297.

For the present budget the receipts were estimated at 286,082,200\$400, paper, and 46,191,667\$ gold, exclusive of the resources derived from the emission of the funding Loan, in accordance with the contract of 15th June 1898, equivalent to 12,678,074\$000.

Receipts, as is seen, have not been few or insufficient. The great source of revenue was then, as now,

the duties on imports, and it should be added, inland revenue has largely increased, and that therein the federal government is finding a vast field for its development. What has prejudiced some against the system established by the constitution is the confusion or irregularity characterising the taxation of inter-state trade, and the heavy export revenues charged in some States where production has immensely developed.

It will be perceived that the taxes allotted to the States either pertained to them under their old title of "provinces" or in general opinion, ought to have been transferred to them before. Such was the view of the commission charged in 1883 with the duty of indicating a better distribution of revenues, that the agitation in various divisions of the country with regard to this very question of taxes originated.

What is wanted is that the limits assigned to the Union and to the States by the founders of the Constitution respectively, should be mutually respected.

As to export duties, they are unfit to serve as a basis for the finances of the Union; and in spite of their provisional character and of the tendency to supersede them, it is to them that the States alone at present can look for nearly all their revenue.

The evil does not proceed from any scarcity or deficiency of revenue, but from the depreciation of the currency. The Minister of Finance was right when he affirmed in his report of 1899 that the financial crisis was not the expression of a great falling of in the sources of State revenue but of the policy responsible for the superabundance of paper money.

The cure, however, is well known and is now being courageously and tenaciously applied viz. economy in expenditure, energy and zeal in the collection of revenue, and the redemption of paper money.

By such means and the collection of a portion of the import dues in gold, it has always seemed to me that the financial crisis could be successfully dealt with.

The quotations of our bonds in foreign markets, the rise of exchange at home, and the prospect of the re-establishment of specie payments on termination of the period of the "funding loan," whose conditions have been faithfully observed, attest the efficacy of the remedy, and the necessity of persevering in the plan adopted, the effects of which may be slow but are absolutely sure. The efforts of the Union cannot, however, dispense with those of the States. To them belong all uncultivated lands and mines; theirs is the task of peopling the country, on which the development of wealth and the strengthening of our economical system and, consequently, the stability of the Republic and consolidation of the financial position really depend.

From their point of view the collaboration of S. Paulo as a great producer has been and will continue to be of the greatest importance, as is evidenced by the fact that up to this moment more than 7 million bags of coffee, representing an approximate value of 250,000,000\$000 have been forwarded to Santos during the current crop.

On the occasion of my investiture, referring to the interests of Agriculture than which none are more vital to the State, I affirmed that its prosperity depended chiefly on railway development and immigration. As regards transport, I added, a comprehensive plan has been elaborated of no less interest to the State than to the Union, which should be the subject of most serious deliberation by the authorities—by which will be bound together the railways of our State with those of the South on one side, with those of Matto Grosso and Goyaz on the other and thus constitute

S. Paulo the centre of production for this great territory. I was not and am not dominated by any narrow feeling of local egotism, but rather by the aspirations of a Brazilian citizen confident in the economic forces of the country, and in the increase of its productions and of wealth, and consequent prosperity.

POLICE ADMINISTRATION.

The increase of population, the diversity of resource, and the agitation promoted by the incessant movements of immigrants in the country districts, as well as by the growth of commerce make the police service of the greatest importance, because on organisation depends the tranquillity essential to its industry of every kind.

The very nature of his functions require that, to guarantee individual and public safety and prompt action, the Chief of the Police should not be fettered or embarrassed by useless rules or regulations.

The department of Secretary of Justice may, without injury to the public service, be suppressed altogether and this function be entrusted to another of the Secretaries of State, as has been frequently the practice.

PUBLIC ORDER.

Order has been maintained throughout the State, the few unimportant cases of disturbance being promptly suppressed. This is to be attributed chiefly to the success which has attended the efforts of the police in purging the more remote districts of the disorderly characters that kept them in a perpetual tumult. Most of these have been arrested and handed over to justice.

In order to restore order on the frontier of Matto Grosso I was obliged to despatch a police force to S. Anna do Parahyba where local disputes threatened to develop into dangerous conflicts. I trust, however, to be able to withdraw them shortly. I have also to express my recognition of the services of the Chief of Police and of his efficient corporation.

THE POLICE.

Law 491 of 29th December, 1896, reorganising the police of the State, instituted two principal divisions—the police brigade and the civil guard for the rural districts and for the capital.

Later enactments modified some of the provisions of law No 491, preserving, however, its general features. The idea of the Legislature was to give the brigade special organization as regards instruction and discipline, and to concentrate this force in the capital and furnish garrisons for Santos and Campinas. The civil guard would provide the men for policing the interior.

The plan was well conceived. I have, however, observed that the civil guard which, by law No 580 of 29th August, received the name of the "Police corps of the interior," has not come up to what was expected from its organisation.

Scattered over a number of distant localities, the men of that corps were not sufficiently instructed for systematic police duty; hence demands are now coming in from all parts, either for the appointment of new detachments or the increase of those already existing. This defect must be corrected.

Even in 1898 one of my predecessors who thoroughly understood the subject, said that it was desirable to give the country force a new organization which should concentrate the service, so as to assure more unity of action and better discipline.

The numbers of the whole force fixed by the present budget law N^o 722, of 16th October, 1900, including the brigade, firemen's corps, the civil guard of the capital and country, is composed, besides auxiliaries, of 102 officers and 4,719 men.

JUDICIAL ORGANIZATION.

The authorities have done all in their power to surround the State judges and tribunals with all the guarantees requisite for the tranquil discharge of the high duties imposed on them by their office.

I am doing all in my power to raise the magistracy to a high degree of efficiency, so that it may afford a reliable guarantee of rights for everyone. The choice of good magistrates depends greatly on the discretion of the government, on whose influence also depends the tranquil execution of their duties, unvexed by local passions or party spirit. It behoves the judges, on their part, to look exclusively to justice, in order that their authority shall not breed distrust in the mind of the public, but be respected by all.

Judicial organization also requires revision and there are many districts which can, without detriment to the interest of justice, be suppressed.

It is not just, either, that they should all be placed on an equal footing when many, from the amount of business transacted and the interests involved, are manifestly more important than others.

The substitution of State by municipal judges, who are often without adequate preparation, has been the subject of well founded criticism and call for an arrangement more in keeping with the requirements of justice.

In order to prepare a sound project I have had recourse to the assistance of a distinguished juriscult to whom this task has been entrusted, with special attention to the following points:

the absolute independence of the judicial power, in accordance with the importance and elevated character of its political purpose;

the complete separation of the judicial functions from those of the administration, but so as to permit the efficacy of their intervention in the defense of interests of a general nature;

the menace of graduated penalties, from a single reprimand to dismissal, as a corrective for those as are less zealous in the performance of their duties;

the creation of forensic archives in which shall be preserved the traditions of the judicial service of the State and the books, documents and papers relative to the decisions of each case shall be collected, so as to constitute the register of judgments in various causes;

the simplification of the rules relating to civil process, with a view to greater despatch in their application, and absolute guarantee to the judges in the performance of their respective functions.

This work, which should be drawn up in such a way as not to involve heavy expenditure, is already well advanced, and will in due time be presented for your examination and opinion.

THE JUDGES AND TRIBUNALS.

Law N. 757 of 17th November last year gave a new organisation to the Tribunal of Justice, and raised the number of judges to 15, separating them into two chambers, the civil and the "criminal of appeal".

By Decree of 29 Nov. I appointed to be judges Juvenal, Malheiros de Souza Menezes of the 5th vara in this Capital, Miguel José de Brito Bastos, of São Carlos do Pinhal, and

Dr. Antonio Ferreira França, of Arcias; and by decree of 6th December, were named the members of the two chambers.

In the Tribunal of Justice during the year 1900, 2,627 causes were decided, discriminated as follows:

Criminal appeals.....	261
Criminal causes.....	156
Civil appeals.....	340
Other appeals.....	442
Embargos.....	113
Letters of testimony.....	13
Conflicts of jurisdiction.....	4
Electoral appeals.....	1,132
Habeas corpus.....	113
Desertions, prorogation of terms, etc.,	46

Comparing the number of causes decided from 1st January to 15 March, 1900, with those of the same period of the current year, it is found that they were 312 and 459 respectively; from which it appears that the separation of the chambers has proved of real advantage in promoting the regularity of judgements by the Tribunals.

PUBLIC HEALTH.

The Public health continues to be one of most serious problems of the administration of the State. We are now at the close of the hot season without having to record any sickness of an epidemic character.

A vigilant attitude is however maintained with sanitary apparatus all in readiness, whilst measures necessary for the security of health throughout the State are not neglected.

The different Municipal Councils of this State have, fortunately, realised the importance of the subject, and are making real exertions to attend to sanitation, and the assistance of the State in furnishing materials necessary to the works of drainage and water supply has proved of great service.

During last year a few localities were attacked by yellow fever, such as Santos, Sorocaba, Santa Cruz das Palmeiras, Arcias, Tieté and Casa Branca. The Government gave prompt assistance to all these places by sending medical assistance and ambulances, and establishing isolating hospitals, which are still working in some places although the sickness has been effectually stamped out in all of them—with the object of promoting proper sanitation in accordance with the provisions of the laws. In this Capital we also had a few cases of yellow fever, for the most part imported from the coast and the interior. Sporadic cases having made their appearance in the Braz district and at Santa Iphigenia, the activity of the sanitary service was concentrated on these points, and soon succeeded in putting an end to the sickness as well as in obtaining a considerable improvement in the domiciliary conditions by a rigorous system of inspection.

The bubonic pest during last year attacked 22 persons in this Capital, of whom 21 were promptly removed to the hospital of insulation, whence 14 issued cured.

Medical reports state, and the figures prove that the plague did not exercise here its customary violence and contagion; but there is no guarantee against a renewal since the evil, spreading from its original focus, is carried to every continent by the facility of modern communications.

Of the measures adopted, the one which appears to be a veritable victory of hygiene in this Capital, is undoubtedly the application of the code to domiciliary sanitary reform, which is being regularly executed, thanks to the

good will of the people and to the examples of Santos and especially, of Campinas. To prevent future invasions of epidemic diseases I think it would be advisable to erect two complete disinfecting establishments with the necessary accessories: one in Santos and the other on the frontier of the State of Rio de Janeiro, on the Central Railway.

All the sacrifices made on behalf of public health in this State have borne good fruit. We have lately read with a certain pride that among the various conclusions approved by the medical Commission of the Latin American Congress, which lately met in Montevideo, is one to the effect that S. Paulo ranks first place among the cities of this country, as much on account of the healthiness of its climate, as of its magnificent sanitary organisation.

The Board of Health worked regularly all last year as also all the departments, Bacteriological Institute, Chemical Analysis, Vaccination, Pharmaceutical Laboratory, Central Disinfection, and Serum Laboratory.

The serum institute at Butantan has only just been completed, there having been some delay in consequence of difficulties in construction and acquisition of the necessary material. In view, however, of the great risk run from possibility of infection, operations have been already commenced and within a short time the real Yersin serum now imported at great cost from Europe, will be produced on the spot.

EDUCATION.

Education has received every encouragement from the Authorities and the results if not wholly satisfactory, at least bear witness to the efforts of the administration to develop this powerful element of progress.

Primary instruction in the Capital and country towns has received a powerful impulse and at the inspection of the schools at the end of the term I was pleased to observe not only the great popular interest manifested in the spread of education but also that a nucleus of teachers has been already created with marked aptitude and vocation for their profession. Outside the large cities and towns education progresses but slowly and so long as the Municipal authorities fail to give the subject serious attention it is useless to expect that attendance will be satisfactory or that teachers will take much interest in their work. It is, however, most important, and the degree of zeal in its promotion may well be regarded as the test of performance by the Municipal authorities of their duties to their constituents. By choosing suitable localities for the schools, supervising the teachers and rigorously excluding politics from scholastic concerns they can do much if they will to forward the cause of education in their districts.

SCHOOL INSPECTION.

In accordance with the stipulations of law 520 of the 26th of August 1897, all the schools throughout the State were visited by the Inspector general and his staff. This is no doubt a condition essential for the primary system of education and has already given good results, but still stands in need of reform.

SINGLE SCHOOLS.

In December of last year there were 2,558 schools in the State, of which 534 were single with 15,551 pupils. The comparatively small number of these schools is the consequence of the transfer to the Municipal Authorities of 547 different schools in accordance with the law 6,866 of the 16th of September, 1899, and the creation of 68 new school groups by which the local schools were absorbed. Although authorized by law, Government, to do so, thought it better

to postpone any alteration of the system of education until better insight has been obtained into the working of the actual system. A better classification of schools by localities and not by the names of their directors, as at present, and a more judicious distribution seem to be the most pressing requirements.

In order to maintain harmony and integrity in their studies it is advisable to modify the curriculum and exact a higher standard for matriculation. With this object the programme should be limited to the requirements of each particular course of studies to the degree of advancement of different classes and to the hours of study.

As regards country schools the difficulties pointed out by my predecessors still exist and a considerable number are yet unopened, in spite of the concession of professors' rights to the teachers authorized by the law of 3rd September, 1895. This perhaps might be remedied by making previous experience of two years as master of a country school an essential condition for all candidates to posts in schools of the Capital. Such a measure would unquestionably be effectual in the matriculation in secondary schools of the Capital of pupils without any real intention of following the profession of teaching, who refuse to accept engagements outside the Capital.

SCHOOL GROUPS.

The school "groups", are an excellent creation of the law of 7th August 1893 and continue to give excellent results. The increasing number of candidates for matriculation and the eagerness with which the municipal authorities beg for new groups to be started, is the best proof of their excellence.

The government having accepted valuable offers of the buildings and pecuniary subsidies from the municipalities, last year installed 11 new groups, and have already installed 4 more this year. The Government will continue to devote special attention to this system because the organisation, discipline and homogeneity of their curriculum affords the best basis for public instruction.

SCHOOL ATTENDANCE.

The average attendance at the single schools was 32 against 30 last year; that of the groups, 43 in number, was 12,905; in the five model schools 2,285; in the 4 complementary schools 910 and in the Kindergarten 151.

NORMAL SCHOOLS.

Last year 180 pupils in the Normal and complementary schools qualified for the office of teachers, as follows:

Normal school.....	37
Complementary school annexed to same.....	41
do Prudente de Moraes.....	40
do Piracicaba.....	15
do Itapitininga.....	47

In the Normal school the matriculation last year was 274 and this year 34.

SECONDARY EDUCATION.

The gymnasium of the Capital last year matriculated 180 pupils of whom 7 finished the course; at Campinas 53 matriculated, of whom, also, 7 concluded the course.

The law which placed the gymnasia of the State on the same footing with those of the Union, unfortunately, withdrew from the State the right of approval of the plans and programmes for secondary education, whilst the provision which prorogued for 4 years the system of partial examinations further prejudiced the situation of the gymnasia.

POLYTECHNIC SCHOOL.

During the year 167 pupils attended the Polytechnic school, 39 having concluded their respective course.

The school material was considerably enriched. The regulations approved on March 24th have contributed greatly to the good order and discipline of the establishment.

The teaching body instituted a prize-medal called the "Cesario Motta", a fitting homage to the memory of that lamented Paulista. In June appeared the first number of the "Annual", a publication of great interest to the students.

Various professors' chairs were instituted during the year.

The Polytechnic school has maintained its brilliant reputation of former years and is equal to those of the most advanced countries of America and Europe.

OTHER INSTITUTIONS.

The Girls' Seminary, Lunatic Asylum, Public Library, Paulista Museum, Statistics and Archives Department and Official Gazette worked regularly throughout the year, and performed all the services required of them.

ELECTIONS.

In fulfilment of the respective law, all the State districts were provided with the books and diplomas of electors demanded for the new State qualification. Of the 50,000\$ voted for the expenses of the electoral register only 19,000\$ were expended.

On 16th April last year the election for a senator of the Republic took place to fill the vacancy in the Federal Senate.

On 31st December the election of deputies and senators for the new legislature of the State Congress was effected. The elections were made with the most ample liberty and in perfect order. The federal deputies Drs. Alfredo Pujol, Firmiano Pinto, Floriano de Moraes and Col. Arthur Diedrichsen having resigned, the 8th instant was appointed for elections in the respective districts. It will further be necessary, in due time, to proceed to the election of a federal deputy for the 4th district, in the vacancy caused by the lamented death of Dr. Elias Fausto, days ago in Paris.

AGRICULTURAL INTERESTS.

Agricultural interests are of the greatest importance. They may even be considered preponderant in this part of the republic where we pride ourselves on our energy and perseverance.

Despite the great difficulties arising from the fall in the price of coffee, planters are displaying great activity in the promotion and development of the economic forces of the State which have already given good results.

Plantation of cereals is being carried on on a large scale.

In municipalities like that of Tatuhy production is already considerable and is said to be surpassed in others. The grape is cultivated in different parts of the State, in many cases with excellent results, Dr. Luiz Pereira Barreto, author of a valuable monograph on the art of Wine making, being worth of particular mention. Sugar cane, manioc, tobacco, wheat and lucerne are also cultivated in different districts, whilst fruit growing is increasing rapidly and has given good profits to small farmers. Aramina to planters seems to offer good profit and promises to revolutionise the spinning and weaving industries. Impartially

considered, all these facts show how unfounded the accusation of excessive routine in our industries and of exclusive attention to coffee planting really is. Without doubt, coffee is and must be the mainstay of the State, because at present it constitutes the greater part of its wealth and furnishes most of its revenue. Moreover, it is coffee that provides most of the bills of exchange and is, consequently, the principle factor in the balance of our foreign trade. Coffee cultivation in the State is enormous and its value very considerable. During the last nine years shipments were as follows:

<i>Financial years</i>	<i>Kilograms</i>	<i>Official value</i>
1892.....	245.456.719	251.815:025\$228
1893.....	169.216.720	214.057:479\$968
1894.....	174.444.912	232.346:430\$888
1895.....	262.375.176	294.295:419\$366
1896.....	240.395.503	272.506:960\$749
1897.....	343.521.826	304.578:830\$542
1898.....	346.077.280	252.827:639\$560
1899.....	363.465.115	264.076:840\$548
1900.....	3 6.700.935	266.784:094\$879

It will be easily understood from these figures, how profoundly discouraged planters must have been by the fall of prices after having been so long accustomed to large profits. Long ago however, the tremendous expansions of plantation alarmed the authorities and impressed them with the necessity of finding new markets for these products.

In 1896, foreseeing the crises that the overproduction was sure to bring, the Presidents of this State and of the State of Espirito Santo addressed to the governors of the other coffee States an invitation to a conference for the purpose of considering measures for a systematic propaganda in favour of the coffee in consuming markets.

In his last message the President of the Republic referred in complimentary terms to this movement although at the time the action of the two governors were accused of having alarmed the markets by calling attention to the increase of production; since then the fall has been still more marked, coffee being sold at Santos at this moment at less than 5\$000 per 10 kilos. Undoubtedly it is a very low price especially with an equally large crop already upon us, but the situation must be fixed without exaggerating their effect, nor ceasing to struggle against them. Crises that originate in excess of production such as this must from their own remedy. The fall of prices will thus stimulate consumption and restrict further production by curtailing planters' means of extension or even maintenance.

Undoubtedly other coffee producing countries will likewise feel the fall and have to contend with difficulties as great as ours. Planters in Java and Sumatra already complain of the damage inflicted by the over-production of this country and maintain that the future of coffee will be everywhere controlled by conditions here. In Mexico, the West Indies and Central America complaints are also heard that coffee is no longer profitable in consequence of our competition.

After spending so much labour and money on raising the coffee industry to its present proportions, it would be a tremendous mistake to abandon the struggle when the exceptionally favourable conditions and the fertility of our soil and the tenacity of our planters are the most certain guarantee of ultimate success. If coffee cultivation has to be abandoned anywhere, it will not be S. Paulo, where the conditions of resistance are better than anywhere else!

What is wanted is that planters, merchants and Government should work all together, and harmoniously for the common end and give no attention to fanciful measures that can effect no real remedy and only make things worse.

To cut down working expenses, improve their process and secure permanent and steady labour, should be the aim of planters thus imitating the example of countries where production is far more insignificant, but better prices are secured by better products. On the side of *commissarios*, they should aim at extending old markets and opening new ones as well as at organizing local elements of resistance to speculation and the eliminations of useless middlemen and consequent reduction of commission and direct dealing with consumers. The Santos market, important as it is, is now too narrow for operations so vast and branches of several exporting houses have, we are informed, been already started in America and Europe. whilst a few planters have commenced selling direct to consumers with good results. Energy and agitation cannot fail to produce good results for planters if persisted in. By *Le Brésil* I observe that during the last few days a new house for exclusive sale of São Paulo coffees was opened in Paris by Sur. Conceição, with the object of promoting consumption and raising the reputation of Brazilian coffees so unjustly depreciated by retailers.

The responsibility of the government, deriving as it does nearly all its revenue from coffee, cannot and has not been overlooked. By promoting immigration, improving the means of transport, reducing railway charges, funding agricultural schools and encouraging mortgage banks and other cognate measures, the government has already done much to benefit the planting interest.

Above all it is requisite to know the precise position and extent of the Coffee industry here and elsewhere and for this end an efficient statistical service is being organized.

Up to the present we have relied exclusively upon incomplete information gathered from Consuls' reports, or supplied by houses heavily interested in the coffee trade. We must free ourselves from so dependent a position by the organisation of a thorough and trustworthy statistical service of our own. Something has already been done in this direction and no exertions will be spared to arrive at a thorough knowledge of the situation of Agriculture in this State.

We must go still further: the information afforded by Consuls is not sufficient and a measure will shortly be proposed for the organisation of more satisfactory statistics of the coffee trade and industry outside as well as within Brazil.

IMMIGRATION & COLONISATION.

The immigration service is of the greatest importance and has long been a subject of anxious solicitude, as on it the settlement of the land and, consequently, wealth and prosperity depend. Since the introduction of foreign labour agriculture has increased in a wonderful manner and it is by means of the labour of European immigrants that we have been able to flood the markets with our products. The Union Government having rescinded all contracts for introduction of immigrants, this service has now to be undertaken by the State. But without assistance from the representatives of the Union abroad our best efforts must be fruitless. The work of *propaganda* necessarily involves a thorough understanding and relationship with foreign Governments to facilitate the departure of immigrants and combat unfounded prejudices against this country. The sphere of mere contractors is, necessarily, limited and subject to foreign regulations which are frequently modified provoking both frictions

and complaints. The Ministers of the Union accredited to foreign countries can do no more valuable service to this country than by exerting their influence to secure a steady flow of immigration to Brazil.

By law 710 of 28th August, Government was authorised to contract for the introduction of 50,000 agricultural labourers into this State. Tenders were called for and a contract entered into for 30,000, there remaining a balance of 20,000 to be provided, in which the "free competition" system formerly in vogue may find ample field for action. During the past year the immigration movement was small, not over 22,802 having arrived during that period; even such a falling off, however, was not so prejudicial as the high scale of departures favoured by high exchange. In consequence, there has been a not altogether unfounded outcry against monoculture, of which measures are already being taken to remedy by the establishment agricultural settlements by Government, and the introduction of a clause in contracts stipulating that all contracted immigrants shall be used to farmwork. The planters on their side are doing all in their power to attach the labourer to the soil. In spite of the outcry, there is no doubt that our system is the best as it has been adopted in other countries, such as Australia which are subject to peculiar conditions. It does not, however, prevent the simultaneous settlement under other system. On this subject, a well known Newspaper, published in the Capital, lately wrote as follows:—"There are many who maintain of late that the system of State immigration is all wrong, because the immigrants do not settle in the country. It is, however, easy to criticize and condemn but far more difficult to point out how the present system may be substituted by a better.

It must, however, be admitted that considering the position in which the State was then placed, with the whole of its wealth invested in coffee plantations and threatened with the loss of slave labour, the solution could not be other or better. For the rest, it does not appear that our labour system, even considered on its own merits, deserves all the censure that has been applied to it.

I may be mistaken, but I say with sincerity that were I a European labourer, obliged to emigrate to some foreign country, I should not hesitate to choose that which offered from the day of arrival, a house to live in, land to plant and breed stock upon and remunerative and certain work almost at the door besides the protection of a landed proprietor, in preference to a country that gave, even for nothing, but a piece of ground and a few seeds and then left me like a Robinson Crusoe, to provide from the commencement shelter and subsistence for myself, friendless and amidst entirely unknown surroundings.

Such reflections show how harsh the judgement expressed on the labour system of this State really are, and moreover, are confirmed and complemented by the creation of agricultural settlements for those who prefer to become small proprietors at once. It is possible that we have not been happy in our choice of the localities decided upon for starting these settlements. But if they can be started in coffee-growing districts or their neighbourhood, and good lands be chosen easy to work and stock, where the labourer can count not only on obtaining profit but on finding employment on neighbouring fazendas also, we shall have in part solved half the difficulties from which we now are suffering.

Effects, it is true, will not be immediate, but the system should be persisted in and assisted by the State until within a few years it will provide numbers of centres on which planters can rely for labour.

In accordance with this idea, one of my predecessors with your assistance promoted the creation of an agricultural settlement at Funil, on lands within the municipality of Campinas.

It was with a similar intention that the construction of a railway from this Capital was authorized by law 675 of 9th September, 1899, and the contractors were offered all the unreclaimed lands on the margin of the railway within the basin of the river Jguape, on conditions of settling immigrants thereon.

Entries of immigrants last year, including those coming at their own expense and at the cost of the State, reached 22,802 persons as against 31,215 in 1899.

Departures of 3rd class passengers were, in 1900, 27,918 persons as against 23,182 in 1899.

Last year's immigrants are thus discriminated:—
Arrivals at the cost of the State, not entering immigrants' depot..... 9,538

Arrivals at the cost of the State, but entering the immigrant's depot:

" From abroad.....	1,201
" other States.....	954

11,693

On account of Immigration contracts..	11,109
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Total.....	22,802
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This movement, as is seen, is very modest, but is now entering on a new phase as the measures lately decreed by Congress begin to take effect.

From 1st January to 30th March of this year, 10,930 immigrants passed the depôt.

During the term of the contracts of 1897 a considerable number of immigrants were lacking to complete the legal number under law 672 of September 1899, which permits any Shipping Company that chooses, to introduce them, receiving in compensation a subvention from the Government.

To facilitate the execution of their engagements by contractors, some modifications of their contracts were conceded. As a Government measure designed to facilitate the supply of labour to planters, it should be borne in mind that last year there were admitted to the Depot 2,986 labourers of this Capital who contracted work on the plantations and were taken to the interior at the State's expense.

I also contracted on 26th September last year for the introduction of 600 Japanese families who are, I am informed, good labourers.

I was requested by planters who desired to try this new element, to assist by paying a part of their passages which are very dear, and this I undertook.

I have not yet heard that any effectual effort has been made for the execution of this contract.

MORTGAGE LOANS.

Law No. 660, of 28th August 1899, authorised the government to reform the contract celebrated with the Banco de Credito Rreal de São Paulo, and in accordance with which my honoured predecessor celebrated the contract of 1st December of that year, with which you are already acquainted. In virtue of that law the capital of the Bank was raised to 10,000,000\$ enjoying a guarantee of interest of 7% for the term of 20 years, including the original capital of 5,000,000\$.

The Bank agreed to be bound amongst others by the following clauses:—to proceed to the immediate liquidation of the commercial branch of its business, to realise its authorised capital within the maximum term of 2 years; to devote annually a sum of not less than 2% of its net pro-

fits to premiums on its issues of lottery bonds (letras sorteadas); to loan money for periods of from 5 to 20 years on urban properties situated in the State, with authority to effect other mortgages so long as the service of the first loan be secured and to contract same with its clients and apply to this purpose its capital or any other funds disposable.

The Government, besides the interest guarantee of 7% per annum on the maximum capital was authorised to allow mortgage bills of the Bank to be accepted at their face value as security for tax-collectors and other government officers and for judicial deposits. The intention of the legislature was evidently to assist agriculture and help to provide capital by giving mortgage bonds a better circulation and value.

It is needless to remind you that among other troubles of the farmers, the chief is the want of capital for working and developing plantations. For lack of Banks that, in time of necessity, would help the farmer, he is often driven to raising vexatious and usurious loans that give a fictitious relief for the moment, but really burden him with obligations he is unable to cope with.

For this, Mortgage Banks are the most efficacious remedy and will be of the greatest assistance to the farmers and planters.

Experience, however, has confirmed neither the intentions of the legislature nor those of the government. The failure of some important Banks has discredited this kind of investment; but it is necessary not to be discouraged but to learn from experience and correct our mistakes.

The great mistake with regard to the loans of these banks lay chiefly in the worthlessness of the properties mortgaged.

The borrower unduly exaggerated the value of his property, whilst the valuator on his side, from ignorance, favouritism or venality too often accepted such valuations.

In addition, valuation took only into account the land or fixed property without considering the question of revenue, and in this originated the scandalous liquidations, the ruin of the Banks and the discredit of these institutions.

Such experience could not be disregarded by the Legislature, and resulted in this kind of business being entrusted solely to the *Banco de Credito Real*.

The chief purpose of this law is to secure advances of money to farmers on the security of real estate. The criterion that will be accepted in future for valuations is no longer to be the mere land value but the average annual income realised therefrom. The law positively and expressly declares that the Bank shall make no loans without having ascertained that the annual revenue of the property offered for mortgage is sufficient to cover the service of the loan.

The danger of fantastic valuations being thus removed and real revenue adopted as the basis of value, loans will be perfectly secured and bonds circulate more freely and enjoy better quotations.

When referring to planting interests in 1895, I advised starting Mortgage Banks to give them strength and even went so far as to recommend that guarantee of interest on such bonds should be granted by the State and even by the Union. I then said that "the only means of effectively assisting planters and giving vitality to agriculture is by securing currency for mortgage bonds. The State should therefore, determine the conditions on which loans of this kind should be granted and exercise the strictest supervision as regards both their amount and the valuation of such securities for which the net income of plantations should alone be taken as the basis."

In an official document issued in 1896, I confirmed these views as establishing the only practical conditions for realization of this desideratum. Other States, including Bahia, Rio de Janeiro and Espírito Santo voted laws granting guarantee of interest for similar objects, but, in view of the relative favourable condition of planters in the State further guarantee of interest in addition to that already granted on the capital of the Banco Hypothecario de São Paulo appeared unnecessary. That in so fertile a district where bonds are secured by the mortgage of plantations at half their real value should be depreciated to their actual extent even after the State guarantee of 8% has been granted, is not as it should be. Eight per cent mortgage bonds were quoted on 26th April at 80\$000; on 23rd May at 75\$000; on 12th July at 70\$000; on 18th October at 65\$000; on 31st December at 60\$000, and at present at even less. Calculated on their net value the rate paid by planters is exorbitant and impossible.

I am informed that under the new contract from 1st December 1899 to 31st March last, 80 loans have been granted of the total value of 12,945,000\$.

Knowing the prudence of the Directors of this Bank, I feel sure that the requisite prudence regarding valuations has not been overlooked and, apart from causes of a general character I am convinced that the chief cause of depreciation of these bonds is that they exceed the capacity of absorption of the market. During the period mentioned, 12,159 eight per cent bonds were issued, whilst the Bank is still authorised to issue 71,800 bonds more. Under such conditions it is useless to think of extending the issue beyond the maximum already fixed, and we should rather search for fresh markets for their disposal, as if this be still further overloaded there will be great risk of further and ruinous depreciation.

With the object of making assistance to agriculture a reality, the Legislature authorised Government to intervene in operations of this kind and to undertake the fiscalisation of valuation and of the business of mortgage banks, as also of the issue of bonds and their amortisation generally. It will, I believe, be advisable to still further give powers to ensure proper inspection. On my part I shall follow with interest operations of this kind, convinced that on the thorough execution of the law depends the stability and credit of this kind of banks.

No limit has been assigned by the legislature to mortgage loans of this character, but I think this should be done in order that the limited capital shall not be absorbed by a few large operations.

No doubt the judgement of the directors will enable them in future to avoid such pitfalls and to carry on the business of the bank in such a manner as to conform to the requirements of the law and afford to agriculture the facilities it so badly requires.

AGRICULTURAL CREDIT AND LOCAL BANKS.

With the object of assisting agricultural interests law N. 682 was voted on 14th September last year, authorising government to guarantee interest at the rate of 7% per annum for the period of 20 years on a capital not to exceed 20,000,000\$ to be employed in founding Mortgage Banks. This guarantee was to be granted to two different establishments with a capital of 5,000,000\$ each for the Capital, and to four others with the capital of 2,500,000\$ each to work the country districts. Their operation were to be limited to this State and confined to the following business:

(1) loans on mortgage to planters or farmers, warrants, and discounts of planters' drafts;

(2) loans on security of government and mortgage bonds, bank or railway shares or warrants;

(3) loans on security of municipal bonds approved by government.

In execution of this law, Decree n. 140 was promulgated on 16th February.

The government has exerted every effort to secure these facilities for agricultural interests but, unfortunately, the law N^o 682 has not been put into effect because the requisite capital was not forthcoming, either because there was no inclination on the part of local capital to embark on such undertakings or because the conditions stipulated in the law were too restricted. A member of this legislature, who has special experience of banking matters, maintains that such legislation will continue inoperative unless the cooperative and mutual principle, which is found so successful in Germany and Italy, be adopted; but to my mind the cause of the failure is to be attributed entirely to the monetary stringency and lack of confidence, the consequence of the era of feverish speculation by which many such undertakings have been so seriously compromised.

Banking is spreading over the State and country banks have proved of the greatest service to the local agricultural and commercial interests, and are already making arrangements for further extension of their business. Exclusive of the more important Banks doing business in the Capital and Santos, there exist nine country banks in different localities which are giving excellent results. They are as follows:

BANKS	CAPITAL SUBSCRIBED	CAPITAL PAID UP	DIVIDEND ON 31—12—1900.
Banco União de S. Carlos	5,000,000\$000	4,325,000\$000	25 % p. ann.
Banco de Piracicaba	1,120,000\$000	448,000\$000	8 % " "
Banco Regional de Mococa	550,000\$000	414,000\$000	20 % " "
Banco Melhoramentos de Jabú	1,000,000\$000	827,800\$000	12 % " "
Banco Norte de São Paulo, Taubaté	800,000\$000	397,000\$000	—
Banco da Indústria e Comércio de Piracicaba	600,000\$000	300,000\$000	10 % " "
Banco do Ribeirão Preto	500,000\$000	500,000\$000	12 % " "
Banco Popular de Guaratinguetá	700,000\$000	399,620\$000	6 % " "
Banco Municipal Pindamonhangaba	400,000\$000	279,040\$000	6 % " "

PUBLIC WORKS.

Duly authorised by law 728 of 24th October 1900, on the 10th January I promulgated Decree n. 868 reorganizing the service of Superintendance of Public Works.

Under the superintendance of this department the following important works were completed and others commenced and continued: the Normal School at Itapetinga; a covered corridor at the Braz mixed schools; fairs at Re-

dempção, Pereiras, São Carlos do Pinhal, S. Cruz do Rio Pardo, and S. José do Morro Agudo; the transformation of the plantation S. João da Montanha into the agricultural school for the Piracicaba district; the Serum Institute at Butantan; bridges over the rivers Grande at Vergueiro. Paranapanema, between Cerqueira Cesar and Pirajú. Atibaia between S. Antonio de Cachoeira and that town; Jaguary between Bragança and Socorro, Furnas between Araras and Rio Claro; Tieté at Paranaíba, Novo at Salto Grande do Paranapanema, and Paranapanema at Pirajú.

In addition a large number of roads have been repaired and twenty-six surveyed, measuring 578,750 metres.

The following are still in construction:— the Lunatic asylum at Jugury; the Barnabé school; Revenue offices at Santos; a mixed school at S. Manoel; jails at Batataes, São Simão and Itapira, and bridges over the rivers Mogyguassú and Rio Pardo at S. José.

SANITARY WORKS.

The water supply of the Capital has been regularly maintained throughout the year and no trouble of a general character has occurred in this service, this year the dry season having been got over without inconvenience either as regards the volume distributed or as to the distribution itself. The filtering gallery of Belemsinho was not used in 1900 for the supply of the lower city, as there had been no lack of water from the Serra and Ypiranga sources. The borings of 8 artesian wells, ordered during the administration of my predecessor, are now concluded.

As to the drainage service, the works have also progressed satisfactorily, there being an increase of 5,707 m. over the previous year. The collectors have been repaired in the most densely populated district of the Braz and pumps placed at Ponte Pequena for the drainage of that section already worked.

The maintenance and traffic of the Cantareira railway have continued satisfactorily during the year. By the particulars given by the corresponding department it has been shown that revenue has increased and expenditure diminished considerably; while the deficit has been reduced more than 58% in comparison with the previous year's.

In 1900 the Santos drainage works so badly wanted, were not yet commenced. In answer to calls for tenders two candidates only appeared and their tenders are now being examined. Works were there limited to the maintenance and cleansing of the existing system, the reconstruction of the 12 inch collector, the cessation of the direct discharge into the sea from some houses which were left without drainage after the embankment of the street Xavier da Silveira, and the completion of the new quay. The water supply of that city and drainage in inland towns are under the control of the respective municipal authorities, the Government limiting its intervention to furnishing the necessary material in accordance with the plans and projects presented by them and approved by the Water and Drainage Department.

The city of Sorocaba, cruelly victimised by the yellow fever in 1899, was an exception to the established rule, the water works there having been contracted by tender on special authorisation of the legislature.

The following cities of this State possess regular water works:—

The Capital, Santos, Campinas, Limeira, Rio Claro, São Carlos do Pinhal, Araraquara, Jahú, Brotas, Pirassinunga, Belém do Descalvado, Santa Cruz das Palmeiras, Mogyimirim, Itapira, Ribeirão Preto, Guaratinguetá, Lorena, Ita-

pitininga, Itú, Tatuhy, Piracicaba, Santo Amaro, Ribeirão Bonito, Bragança, Itatiba, Amparo, Taubaté, Pindamonhangaba, Itapina and Cotia.

The following are provided with drainage service:—

The Capital, Santos, Campinas, Araraquara, Jahú, Ribeirão Preto and Piracicaba. Plans are already approved for the water supply of the cities of Espirito Santo do Pinhal, Jundiáhy, Faxina, S. Vicente and Santa Rita do Passa Quatro; and those of the water supply of the city of Tieté are being examined.

The plans for the drainage service of the cities of Sorocaba, Rio Claro, Pirassinunga and Guaratinguetá have also been approved, and those of the city of Limeira await approval.

At present, the drainage works of the cities of Amparo, Bragança, Itapira and São Carlos do Pinhal are in construction and materials have been furnished to the cities of Bragança, S. Simão, S. João da Boa Vista, Mogyimirim, Mococa, Piracicaba, Pindamonhangaba, Amparo, Itapira, Lorena, Jahú and Rio Claro to the value of 310:189\$920.

AGRICULTURAL SETTLEMENTS OR NUCLEI.

The colonial centres "Campos Salles", S. Berlarão, "Piaguhy", "Sabauna", and "Pariquera Assú" continue to be administered by Government.

The condition of these "colonies" is explained in the report of the Secretary of Agriculture. The first was rapidly settled during the past year, and the allotments yet to be disposed of are few. In view of their prosperous condition those of S. Bernardo, Piaguhy and Sabauna will be shortly entirely freed from State control.

AUXILIARY SERVICES.

The Agricultural Department, decreed by law 678 of 13th September, 1899, though not yet complete, commenced working last year. The first agricultural school founded under that law has been started on State property at the plantation of S. João da Montanha in the Piracicaba district. The regulations have been drawn up, the staff appointed and the name of the generous donor of the plantation, Luiz de Queiroz, given to the school.

The Meteorological service is about to be extended in accordance with a plan already approved that will be of great assistance for the study of phenomena connected with agriculture. During the first year 32,336 pamphlets on agricultural subjects have been distributed by this department, besides 12,325 packages of seeds weighing 38,979 kilos to 9,326 different persons. The inspectors have already commenced their work, reporting on the conditions of their respective districts, studying their characteristics and lecturing on subjects of interest to farmers and planters. Experimental farms have also been started at Mogyimirim and Pirassinunga at the request of those municipalities. As the first fruits of this law great interest seems to have been awakened in both the improvement of actual methods and introduction of more varied cultivation.

A thorough statistical service has also been started for collection and collation of particulars of agricultural interest, which the municipal authorities have greatly aided by their valuable cooperation.

RAILWAYS.

The total length of the railways in actual traffic in the State of S. Paulo on 31st December last was 3,373 kilometres. During the past year, 60 kilometres were opened to traffic, comprising 40 kilometres of wide gauge on the Santa Rita do Paraiso branch of the Mogyana Co. and 20 kilometres of 0.60 gauge on the Dourado railway. Other extensions are

also in course of execution on the lines of Paulista, Mogyana, Araraquara and Dourado companies, whilst the duplication of the S. Paulo Company's line has been completed. The Araraquara and Dourado Companies have likewise commenced the construction of the lines subventioned by Congress.

In 1900 only one fresh concession was granted for a metre line from Engenheiro Gomide station on the Rio Pardo branch of the Mogyana system to Guaxapé in the States of Minas on the Muzambinho railway, thus affording one more link of connection between the railway systems of the two States.

The total revenue of the Companies owing railways within this State amounted in 1900 to 70,559,832\$121, their respective expenditure having been 34,753,814\$859. A net revenue consequently remained of 35,806,017\$262.

These figures which would suffer but little alteration when all expenses allowed for show the importance and prosperity of the carrying trade, it being also not worthy that receipts are greater than in previous years.

The demands of public opinion for the reduction of railway rates, especially for coffee, became more marked last year, both here and in other parts of the Union.

The government has already decided the grounds on which intervention must be based in this matter, and trusts that with the assistance and good will of the companies it will be able to satisfy, at least to some extent, the claims which have repeatedly been brought to its knowledge.

It will undoubtedly be necessary to act within legal limits for the benefit and interest of the community itself, profiting by experience and taking care to secure better transport service whilst not forgetting the necessity of extension.

NAVIGATION.

The river steam transport service suffered no alteration in 1900. The 576 kilometres of the rivers Mogyguassú, Tieté, Piracicaba, and Ribeira de Iguape routes continued in traffic.

The navigation of this last water way is to be improved and secured from interruption, the plans being now under the consideration of the Secretary of Agriculture.

On 24th September, a contract was made with the sole candidate who appeared subsequent to the revision of the original law for the establishment of a line of steamers between different ports of the State; the contract however being limited for the present to northern ports between Ubatuba and Santos. The first round voyage took place on 10th November, and from that time to the present the two monthly voyages which the contractor agreed to make for the annual subvention of 54,000\$000, have been regularly carried out.

PENSIONS.

The State budget provided for the present financial year the sum of 403,231\$770, for the payment of the staff of the various departments, and 129,945\$050 for the payment of officers and men discharged from duty. For the previous year the amount provided for the first was 379,159\$460, and for the second 113,418\$040.

This, as you know, is an item which insinuates itself into every budget and goes on increasing. It is advisable not to lose sight of such progress. To qualify for pensions, it was proposed to count the time occupied in service of any kind, under law No. 172 of 19th May, 1891. But I could not agree to such an interpretation which would have involved extremely heavy burdens on the exchequer.

It may be allowed that, in equity, every kind of service, in whatever capacity, should give a right to a pension by law. But that the time put in in employments of a general character, sometimes merely on commission, at others of a special kind, should be reckoned as qualifying for pensions seems to me irregular and inadmissible.

So long as the pension service is not, as it should be, regulated by a special law, and the general law No. 117 of 1892 offers excellent illustration of the purpose in view, it would be desirable to settle the interpretation of law No. 172 by a positive declaration that it refers only to general employment in posts which give a prescriptive right to retirement as stipulated by law.

FINANCES.

The revenues of the State which have always exceeded the forecasts and estimates of the legislature, attest the strength of its financial resources.

The following has been the movement of revenue:

FINANCIAL YEARS	REVENUE ESTIMATED	ACTUAL REVENUE	SURPLUS OVER ESTIMATES
1892	13,986:000\$000	38,105:288\$552	24,119:288\$542
1893	22,125:000\$000	34,534:020\$592	12,409:020\$592
1894	25,180:000\$000	37,282:226\$360	11,802:226\$360
1895	34,481:984\$941	50,172:167\$479	15,690:182\$538
1896	36,308:000\$000	50,807:820\$867	14,499:820\$867
1897	47,270:000\$000	48,571:165\$491	1,301:165\$491
1898	41,962:000\$000	42,279:559\$926	317:559\$926
1899	19,660:000\$000	57,341:105\$906	17,691:105\$916
1900	38,298:000\$000	42,651:253\$690	4,355:253\$690
	299,558:984\$941	471,744:608\$863	102,391:623\$922

I should tell you, in explanation of the above table, that the larger receipts shown in 1899 were consequent on proceeds of the late foreign loan to the value of 14,467,602\$146, having been included as an item of "Eventual revenue."

In spite of all the state of things shown by this table, in view of there having been no alteration of taxation, which must be regarded as extremely favourable, the taxes levied to-day are the same as under the Empire; and though it is not pretended that the system is perfect, alterations should be gradual, carefully considered, and suited to both the obligations of the government and its growing responsibilities.

The export duty on coffee being the principal source of revenue of this State, it will be easily understood how it must be influenced by the fall of prices, for which the increase of production and improvement of exchange is insufficient to make up.

Everything, therefore, counsels the greatest prudence in the distribution of revenue. The large surplus in hand furnishes a margin sufficient for meeting the considerable expenditure connected with the immigrant service, for which you made no allowance in the budget, and developing this important service, and will serve to put your minds at rest with regard to the smaller receipts of the first six months of the current fiscal year, which moreover are always under those of the other.

It is also advisable to remember the importance of the Treasury always having a balance at its disposal to attend unexpected expenditure and keep up the credit of the State.

By the Union budgets the federal government is annually authorized to issue treasury bills to the value of 25,000 contos on condition of their being redeemed within the fiscal year. The object of this authorization is to correct the irregularities in the collection of revenue at different periods of the year.

There is no such provision in the budgets of this State, which moreover is rendered unnecessary by the existence of a considerable surplus, without which the Government would be obliged to make use of its credit or allow debts to accumulate.

I am happy to be able to state that the bonds of the State, internal and foreign, have attained flatteringly high quotations. On the 31 st. December 1900 quotations were as follows :

Internal bonds or apolices.....	960\$000
Cantareira 6 1/2 Foreign bonds.....	98\$000
" 5 1/2 " " 	94\$090
State of S. Paulo 5 1/2, 1888 bonds.....	88\$000
" " 5 1/2, 1899 " 	91\$000

REVENUE AND EXPENDITURE.

The revenue of the State, estimated for the financial year of 1900, at 38,295:000\$006, actually reached 42,651:253\$690, and gave an increase of 4,355:853\$690.

The following items of revenue contributed to this result :

Export dues.....	29,425:35 \$252
Despatching charges.....	181:644\$171
Water consumption, impost.....	1,071:946\$056
Additional duties.....	761:718\$399
Matriculation duty.....	23:860\$000
Conveyancing dues.....	4,984:622\$867
Death dues.....	535:135\$186
Transport dues.....	1,879:458\$030
House and drainage taxes.....	1,699:932\$184
Stamp duties.....	647:324\$167
Sales of land.....	11:894\$178
Collection of the active debt.....	287:740\$487
Indemnities.....	675:105\$151
Sundry receipts and fines.....	322:247\$557
Rents.....	143:245\$005

Export duties, which constitute the main item of revenue, were collected on the official value of 268,040:060\$125; those exclusively on coffee amounting to 266,784:094\$879.

To the revenue collected 42,651:253\$690, must be added the following sums : 10,750:780\$662 balance from 1899; 790:877\$075, the balance of Orphans fund; 32:298\$436 the property of absentees; 24:446\$637, supplies received by the treasury in 1899 and 38:815\$579 from sundries.

Inclusive of these items, revenue for the financial year of 1900 was raised to 54,288:472\$079. Deducting from this total the expenditure arising from services in charge of the departments of Secretaries of State.....

.....	36,297:974\$562
The net amount applied to the amortisation of the funded debt.....	959:747\$819
The net amount of deposits repaid and due on previous balance.....	172:213\$748
In all.....	37,429:935\$129

The substantial balance of 16,858:536\$950 remains to be passed over to the present financial year's accounts.

The expenditure for the year 1900 was fixed at 38,192:462\$685 which, compared with that of 37,429:935\$129, above mentioned, leaves a further surplus of 762:527\$556 to swell the balance.

LIABILITIES.

The funded debt, internal and external, together with the floating debt arising from liability for deposits, guarantees, etc., was raised in the course of the year to 21,536:899\$900.

At the end of that period they were reduced to 20,513:107\$081 and now stand as follows :—

Funded internal loan.....	2,093:000\$000
" external " (ex'ch 27 d.).....	17,620:772\$527
Floating debt	799:664\$554
Amortisation amounted to 1,023:792\$819 applied as follows :—	
Floating debt: Caution monies returned.....	179:792\$821
Redemption of bonds.....	172:000\$000
" " external loans (ex'ch 27d.)	671:999\$998

ASSETS.

The recoverable Assets of the State amount to an important sum. At the end of the financial year they rose to 32,823:460\$730, which originated in guaranteed interest paid to railways, advances to the Central government at the time of the revolt of 1893, in the return of interest by the São Paulo Railway Company paid to the Federal Treasury, which should be refunded to this State in virtue of clause 33 of the respective contract dated 26th April 1856, subventions to different municipal districts for execution of sanitary works, the subvention to the Funilense Company and uncollected taxes.

CONCLUSION.

With the elements which I have the honour to submit to your enlightened consideration, you may now judge of the course of the affairs in this State and of the manner in which its service is organised and working.

More complete information regarding every branch of the administration will be found in the reports of my secretaries, for whose most efficient assistance and intelligent co-operation I am heartily grateful.

I assure that it will be my care to provide you with any information you may have need for the discharge of your duties, convinced as I am that you will apply to in the most advantageous manner your best energies and all your intelligence to the promotion of the interest of the State.

São Paulo, 7th April 1901.

Francisco de Paula Rodrigues Alves,
President of the State.