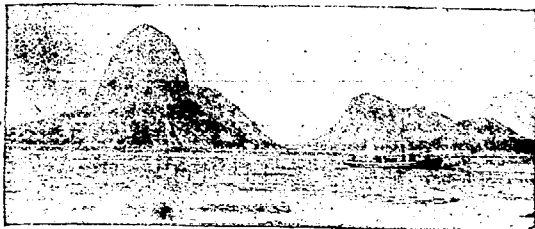


The Brazilian



Review

A WEEKLY RECORD OF TRADE AND FINANCE

VOL. VIII

RIO DE JANEIRO, TUESDAY, JULY 11TH, 1905

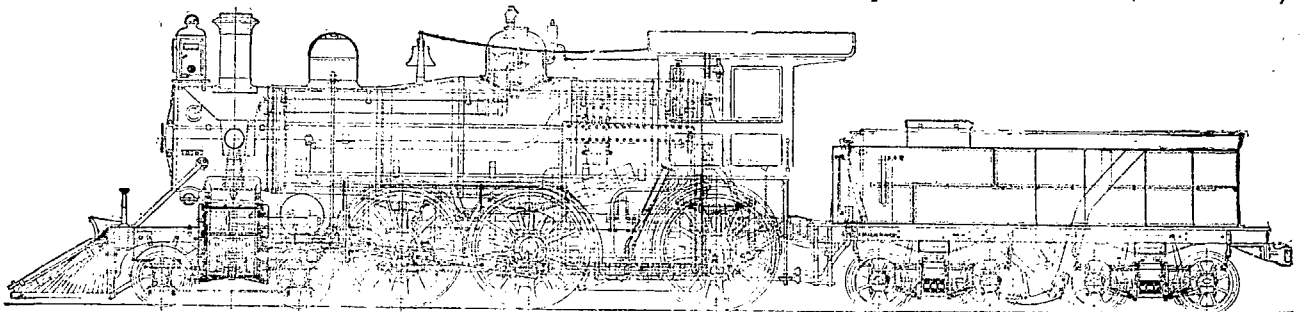
No. 28

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The Brazilian Review



VOL. VIII

RIO DE JANEIRO, TUESDAY, JULY 11TH, 1905

No. 28

Offices: RUA DO ROSARIO No. 6

P. O. Box. 472, RIO DE JANEIRO — — — Telegraphic Address — "REVIEW" — RIOJANEIRO

Managing Editor—MR. J. P. WILEMAN

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Separate copies 1\$200 | Back numbers. 2\$000

Advertising rates furnished on application

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Rio de Janeiro — Crashley & Co., rua do Ouvidor 36.
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Announcements of births, deaths and marriages concerning subscribers and friends are inserted in this "REVIEW" free of charge

MAIL FIXTURES

DATE	NAME	COMPANY	DESTINATION
FOR EUROPE			
July 11	Panamá	P. S. N. C.	Liverpool and Ports
12	Cordillère	Messageries Maritimes	Bordeaux (Direct)
19	Nile	Royal Mail	Southampton
26	Atlantique	Messageries Maritimes	Bordeaux and Ports
27	Oruba	P. S. N. C.	Liverpool (Direct)
August 2	Magdalena	Royal Mail	Southampton
FOR THE RIVER PLATE AND PACIFIC			
July 12	Oraxia	P. S. N. C.	R. A. and West Coast
17	Magdalena	Royal Mail	R. A.
24	Chitt	Messageries Maritimes	R. A.
25	Orissa	P. S. N. C.	R. A. and West Coast
FOR UNITED STATES			
July 10	Titian	Lampert & Holt	New York
26	Thespis	Lampert & Holt	New York

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NOTICE

To subscribers and advertisers. — Only receipts signed by the managing editor, Mr. J. P. Wileman, are valid.

Notes

The Currency. It is announced that the paper money to credit of the Redemption Fund (*Resgate*) will be withdrawn and burned. Dr. Bulhões proposed to begin with 10 or 15,000 *contos* and to gradually burn up to 75,000 *contos*, leaving 600,000:000\$ in circulation equivalent to some 35\$ *per capita*, a coefficient that is thought in some quarters to be not incompatible with the maintenance of stability of exchange.

During the last 40 years exchange has been three times at *par*; once in 1864 when the coefficient *per capita* was as low as 11\$000; again in 1875 when it stood at 17\$000, and a third time in 1898 when exchange went over *par*, with 14\$000 *per capita* in circulation.

For three and a half years 1901-1904 exchange stood steady at 12d. with about 40\$000 *per capita* in circulation. At 16d this is evidently too much and, unless the coefficient is reduced proportionately, exchange will sooner or latter suffer. To fix exactly the amount to be withdrawn is impracticable: that can only be determined experimentally.

But no withdrawal that does not raise exchange to *par* can be final, because every rise of exchange is equivalent to an increase of the currency and must be compensated by reduction of the volume, or this will become excessive and weigh on the exchange market.

Exchange in Europe. Quoting from an article of *The Brazilian Review* the *Daily Graphic* of London, May 30th, says the following:—

"It is difficult for us in England to understand the anomalies arising from a fluctuating sterling exchange. In Brazil, however, it is otherwise, for if the actual experience cannot lead to an understanding of the different conditions resulting from a rising and falling exchange, it is hard to say what will. A recent number of *The Brazilian Review* was exceedingly bitter on the subject and draws the following conclusions:— "So long as paper money exists at all we must move unceasingly in a vicious circle, from crisis to crisis, etc. etc. etc."

An anonymous correspondent, some of whose letters we have published, writes us from Paris as follows. Why, with so decided opinions, he should insist on remaining anonymous we cannot say but suppose he has his reasons. We, however, have to object to his attributing to us opinions we do not profess or advocate. We think that above everything Stability is what the country wants and are not advocates of pushing exchange at any cost nor yet of letting it fall when once it has risen, but of keeping it as steady as possible and letting economic conditions do the rest, or what would be better still, converting and getting onto an honest gold basis as soon as possible.

"From the presidential Message:— I feel confident that the means already provided by extant legislation enables Government to counteract any downward tendency that may supervene. Unquestionably the volume of paper money still in circulation is considerable and should be reduced. The "guarantee" and "redemption" funds should be utilised for this object and provide the necessary resources to ensure the requisite reduction of the currency when desired.

Mr. Rodrigues Alves must have lately read *The Brazilian Review*, and (not unlike a certain warm place) is full of good intentions. Unfortunately, the latter have been expressed ever since his accession to power without any action on his part to substantiate them—even if a wiser and more foreseeing administration had bequeathed him the means of accomplishing it. What has been done in keeping with Mr. Rodrigues Alves' declarations? Nothing! absolutely nothing! Had he acted instead of promising, the late rising wave would have found exchange at 18d. and would have carried it to the neighbourhood of *par*. With the actual flow of gold we would be getting ready to resume specie payments. The country is not in need of good resolutions but of good deeds.

Let not *The Brazilian Review* confide in empty promises, but continue to hammer unceasingly. A weak, vacillating policy is ruinous and a source of unfaith at home and abroad. To meet the rise in exchange, the merchant, the agriculturist and the industrialist must look, not to higher prices, but to lower expenses. That is the advice of *The Review* and the wise one."

The Broker and the Nude. Mr. John Long recently published a book called "The Storm of London", in which "everybody is stark naked and has to grow accustomed to it". In the Press notices, quoted in the publisher's present advertisement of a popular edition, we find the following from the "Newcastle Chronicle":—

Nakedness at once becomes the great leveller; shop girls are not distinguishable from duke's daughters, and the stockbroker is unable to tell buyers from sellers.

Stock Exchange men will at once see the awkward situation that would be thus created—not, of course, in the matter of the shop girls and dukes' daughters, but in respect of distinguishing buyers from sellers. When a client enters a broker's office, the only method by which the broker can ascertain whether he is a buyer or a seller is to examine the pattern on his waistcoat and inspect the cut of his coat tails. It is *The Only Way*. Brokers make huge fortunes by their shrewd diagnosis of trousers and swift analysis of ties. If clients were to make a rule of dropping in stark naked, there would, of course, be a crisis amongst the brokers at each Settlement—if not sooner.

The Magazine of Commerce is the best produced and most influential illustrated publication devoted to the interests of British trade. The subscription rate is 12/- per annum, post free, and orders may be addressed to THE PUBLISHER, — *Brazilian Review*—who will be pleased to send single specimens copy on receipt of 1/- stamps.



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Capital..... £ 1,500,000
 Capital paid up..... " 750,000
 Reserve fund..... " 650,000

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(Cules 108)

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 Pays interest on deposits for fixed periods.
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Banco da Republica

DO

BRAZIL

Realized Capital... Rs. 100,000,000\$000

Reserve Fund.... Rs. 17,480,078\$736

Profits in Suspense. Rs. 11,157,639\$835

on 31st December 1899

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9 Rua da Alfandega

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The Mogyana Railway Report. Compared with 1903 the traffic on this line was about the same. There was a slight increase in the number of passengers, but the coffee carried and handed over at Campinas was somewhat less, as also was the volume of general goods.

In consequence receipts fell off, as did also expenditure, leaving Net Revenue 381,362\$000 less than in 1903. The same dividend, 10%, was, however, maintained and 236,192\$ added to the reserve fund.

The London debenture debt is being rapidly paid off and is now reduced to only £277,500. Capital has on the other hand been raised to 69,814,360\$ and only 155,640\$ are now wanting to complete the authorized capital of 70,000,000\$.

The line is being steadily extended, 44 kilometres having been added in 1904.

With higher exchange and enhancement of the real or sterling value of revenue, it is only to be expected, and, indeed, to be desired, that currency revenues should be smaller, especially when the volume of business is smaller, as in 1904, because, otherwise, charges would be out of all proportion to the earnings of the very class on which the line depends for its traffic.

	1904	1903	1902	1901
Paid up Capital.....	Rs. 69,814,360\$	67,347,680\$	64,528,240\$	62,096,080\$
Length of line.....	Kilom. 1,221	1,280	1,231	1,209
Debtenture Debt.....	£ 277,500	265,500	311,300	325,700
Passengers carried.....	No. 1,244,259	1,194,722	1,371,709	1,439,445
Goods.....	Tons. 592,491	593,269	528,734	564,557
Coffee.....	Bags. 3,128,207	3,265,286	3,304,787	3,946,309
Receipts.....	Rs. 15,829,263\$	16,528,008\$	17,619,976\$	19,816,807\$
Expenditure.....	8,753,353\$	9,076,913\$	9,200,136\$	9,326,816\$
Net Revenue.....	7,075,910\$	7,451,095\$	8,419,840\$	10,489,991\$
Dividend.....	10%	10%	11%	12%
Reserve Fund.....	Rs. 1,272,525\$	4,036,310\$	3,301,274\$	3,018,826\$

The Rio Gas Company. We take the following from *Letres Financieiras*:-

Our readers already are acquainted with the reforms instituted at the last extraordinary meeting of the shareholders of this company which bid fair to restore former prosperity so much affected mis-administration.

The Rio de Janeiro Gas Company will in future be under the direct control of the Canadian Company known as the Rio de Janeiro Tramway, Light and Power Company Limited and the following are the proposed exchanges to be made in the shares and debentures of the Rio Gas against those of the afore-said company: - for five 6% Rio Gas debentures will be given three 100 dollar debentures of 5% of the American Company; for nine 5% debentures four 100 dollar debentures of 5% and for 5 debentures two new 5% debentures. Taking the debentures of the American Company at par of 518 francs - a reasonable basis seeing that they are hypothecary, bearing 5% interest - each 6% debenture would be represented by 311 francs in shares of the American Company; each 5% debenture by 230 francs and each 4% by 207 francs.

With regard to the scrip, preference shares, ordinary shares and bonds in payment of arrears (*bons d'arrages*) the following proposals are put forward: - substitution for 2,900 francs, nominal value, of scrip of 2 new 100 dollar shares yielding 8.90 francs of revenue for 500 francs of scrip; 5 preference shares for one 100 dollar 5% debenture; and one 100 dollar share of the Rio de Janeiro Light and Power Company or 207.20 francs per preference share; 5 ordinary Rio Gas Company shares for one 100 dollar share of the other company or 103.60 francs for one ordinary share; 25 bonds in payment of arrears (*bons d'arrages*) for one share of 100 dollars, or 20.72 francs per bond. These proposals take into account all interests involved, as was stipulated."

Buenos Ayres Gold Dredging Companies. There has been trouble about the Matto Grosso Company, which, to judge from the quotations on the Bolsa, made a big mistake in ever getting to work. Before that, everything went finely, the \$ 5 shares reaching \$ 20.

By the time the first dredge was ready, the shares had slipped back to \$ 15, but when it finally began to work, they came down by the run to \$ 7 1/2, and this in the face of reports from the scene of operations of "£736 in gold and 45 diamonds" being won in 25 days. As there are 3 more dredges building, the company might expect, at above rate, monthly earnings of about £3,000 in gold, to say nothing of the diamonds. Such results appear to have disappointed the expectations of the Bolsa, but the Directors found them so encouraging that they broke off negotiations for the sale of the Company to a London syndicate. This may have been the reason for the slump, but another explanation is the discovery that the vendors, who got as their consideration half the share capital of the Company, took advantage of the boom to sell out their holdings. This, the other shareholders think, was not nice of the vendors, which is true, but neither was it original, or novel, or even rare. Have our Buenos Ayres friends forgotten all about their previous boom?

Those of them who read this journal with due attention will remember that, in our issue of 25th April, we spoke in terms that were not exactly enthusiastic of the Matto Grosso dredging ventures.

We said we had been there and that if the pioneers got gold they would deserve it, adding that we only hoped they would get enough to justify such big premiums. We are not proud and should much like to see Buenos Ayres surplus capital come over and help us to explore our Mines, and we believe this would turn out as profitable to the investors as to us here, if it were done with proper precaution. But the properties must be competently examined before purchase, and vendors should not be paid exorbitant sums in shares to clear out of great premiums and live happily ever after. Such ingenious procedure is a tempting of disaster.

We are glad to see that the shares of the San Juan group have remained little affected by the slump; and we hope that dredging there, when commenced, will come up to the gorgeous expectations.

It appears that some very strong capitalists, connected with South African mining, are sending out competent representatives to watch the operations, of the San Juan Companies, and, if the results are encouraging, there will be no lack of capital available for such ventures.



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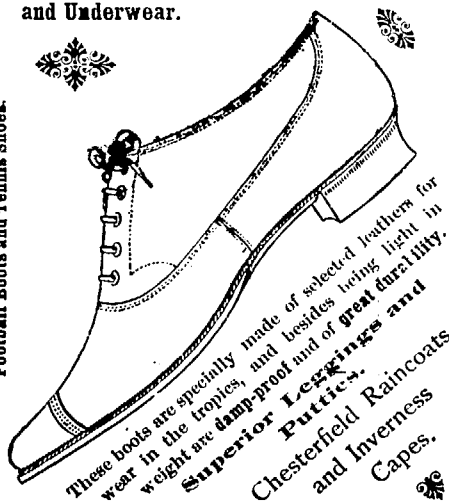
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Football Boots and Tennis Shoes.



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Bahia and Pará



THE DEUTSCHE BANK

This Bank, whose report we published in a late number is, next to the Reichsbank, the largest concern of its kind in Germany. It was started in 1870 and has offices in London. Its capital is

Mks. 180,000,000 or £9,000,000 the shares being all to order, (nominal) and the liability limited. No notes are issued.

The development that the business of this great bank has undergone since it started 35 years ago is shown by the following figures:—

	1870	1871	1873	1882	1889	1896	1902	1904	
	£	£	£	£	£	£	£	£	
Cash, Coupons, Bills Receivable, Balances with Bankers, Stock Exchange Loans, and Investments in Stocks.....	284,031	1,136,961	3,642,716	5,311,824	10,882,346	15,749,890	18,538,895	33,733,952	42,000,249
Current Accounts.....	117,613	1,146,104	2,556,353	4,235,255	10,866,132	14,360,850	17,395,945	36,023,827	44,679,704
Advances against Collaterals.....	161,839	587,110	1,293,246	3,332,470	6,352,081	7,732,100	9,133,262	13,247,817	16,715,765
Debtors on Current Account.....	107,906	394,407	1,24,369	459,220	2,030,006	2,240,336	2,933,350	3,653,030	4,801,111
Bills payable.....	123,187	380,016	1,613,497	2,307,024	5,290,089	5,532,824	6,535,688	7,235,076	9,251,160
Syndicates.....	—	41,547	91,745	737,024	1,485,510	1,694,138	1,581,723	1,617,770	1,173,104
Capital.....	750,000	1,500,000	2,500,000	3,000,000	3,750,000	5,000,000	7,500,000	8,000,000	9,000,000
Reserve Fund.....	1,811	8,099	65,449	690,807	1,192,623	1,982,551	2,263,782	2,764,165	3,833,142
Dividends.....	5 7/8	8 1/2	4 1/2	10 1/2	10 1/2	10 1/2	11 1/2	12 1/2	12 1/2
Turnover.....	11,967,143	47,572,252	188,257,033	602,725,089	1,406,362,549	1,774,854,251	1,896,668,035	2,839,170,792	3,344,856,565

SUGAR

The Sugar question has become so critical that its solution can be delayed no longer.

It will be remembered that some time ago the Treasury, in answer to a communication of the Belgian Minister, replied maintaining that no premium, direct, or indirect existed in Brazil to favour either the production or export of Sugar, and appointed a Commission to examine the subject and report.

The results obtained by the Commission do not seem to correspond to expectations, few of the authorities, from whom information had been requested, having, so far, deigned to give any reply.

The Government is, however, informed that, unless the necessary information is forthcoming by October, it will in all probability be impossible to prevent Brazilian Sugar from being excluded *in toto* from British and other Conference markets.

It is not now a matter of more or less onerous duties that has to be faced, but positive prohibition and loss to Brazil of the British market, second only in importance to that of the United States.

In the opinion of the Brazilian Commission, no concession, premium or drawback of any kind exist to favour the export of Brazilian Sugars or enable them to be sold abroad cheaper than they can be at home, which it is the object of the Brussels Conference to prevent. The import duty which is here unnecessarily heavy, and may without prejudice be reduced, is merely a measure for the protection of our domestic markets from outside competition. No organisations of any kind, of the nature of Cartels or Trusts, exist here for maintenance of prices at home and dumping Sugars abroad at any price, as is proved by the fact that prices have sometimes fallen below European level.

The fiscal position of the article is, however, so extremely complicated in consequence of the intervention of a number of economically detached authorities, Municipal, State or Federal, empowered in different ways to tax the production and consumption of Sugar, its internal and external commerce, or its importation, respectively, to which the increasing and varying variations of Exchange and of the value of the currency and yet greater confusion, that the Brazilian Commission have determined to follow the lead of the Pernambuco Sugar Conference and to counsel the Minister of Finance to send an agent to Brussels to offer personal explanations on any doubtful point that may arise in the course of the discussion.

It is to be sincerely hoped that the emissary will prove successful.

For our part, we are convinced that the Brazilian fiscal system, or want of system, not only does not act as a premium to our production, but is positively prejudicial, and that, were it not for the difficulties presented by internal transport and exchange, as well as by the necessity of unifying the legislation of eight or nine different and semi-independent States, in the interests of Brazil herself it would be better to abolish import duties altogether. Until Brazil can compete, without fear or favour, with all the world, the production of Sugar can never develop into the great industry that our unrivalled natural conditions entitle it to be, and will be practically circumscribed to providing for local consumption and on occasion, when the crop is exceptionally good, to exporting at unproductive prices.

To sell much, we must sell cheap and produce cheaper,

which, with our antiquated methods and exchange running up and down 20% or 30% in a few months, is impossible.

The first thing to be done is to reduce import duties to the minimum compatible with reasonable protection of our own markets, and then to set to work to improve our methods so as to do away with further necessity for protection, by giving our money a fixed and definite international value and producing cheaper than anyone else.

From *The Financial Times*:—

The following table, showing the retail price per lb of the sugars most largely consumed by the working classes in different European capitals on 1st March last, and also the amount of Customs and Excise duties per lb in each case, was issued in the shape of a Parliamentary return. The prices do not refer to a uniform grade of sugar, but to the kinds most largely consumed by the working classes:—

COUNTRY AND CAPITAL CITY	RETAIL PRICE	CUSTOMS DUTY	EXCISE DUTY
Germany—	d per lb	d per lb	d per lb
Berlin.....	2 3/4	1.02*	0.76
Austria-Hungary—			
Vienna.....	3 3/4	1.98*	1.72
Budapest.....	3 3/4		
Belgium—			
Brussels.....	3 1/2	1.11*	0.87
France—			
Paris.....	3 1/2	1.44*	1.18
Holland—			
Amsterdam (c).....	4 3/4	2.45 (c)	2.45
Russia—			
St. Petersburg.....	4 1/2	4.22	1.23
Denmark—			
Copenhagen.....	2 1/2	0.73	0.27
Great-Britain—			
London.....	2 3/4	0.45	—

*In the cases of Germany, Austria-Hungary, Belgium and France, imported sugar is subject to excise duty in addition to import duty proper. The "Customs duty" stated above for those countries includes the total amount of duty payable on importation—i.e., it includes both import and excise duty.

(c) In the case of Holland, imported sugar is subject to excise duty only.

(d) Amsterdam has been taken instead of the Hague.

§ Including also the "taxe de raffinage" levied equally on imported sugar and on sugar of home production.

The return will scarcely be pleasant reading for those who represent that the British duty would severely oppress the consumer, for it shows that, with the exception of Denmark, prices on the 1st March last were in London considerably lower than even in beet sugar producing countries. Thus the Englishman only paid 2 3/4 d per lb—just 1/2 d per lb higher than residents in Copenhagen—while the Berliner's sugar cost him 2 3/4 d per lb and the Australian 3 3/4 d per lb. The French and Belgians came off a little better than the Austrian, but the residents in St. Petersburg had to pay 4 1/2 d per lb and those in Amsterdam 4 3/4 d. It will thus be seen that the working man in Great Britain is in an infinitely better position, so far as sugar is concerned, than his confrères in most of the European capitals.

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"BUDA-NACIONAL"

"BRAZILEIRA"

"SEMOLINA"

Daily production of Flour and Bran: 10,000 Bags

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GREAT REDUCTION!

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CAMBUQUIRA

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COMMERCIAL GUIDE

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Ornstein & Co. — São Pedro 65. Cable ad: Ornstein.

Druggists and Pharmacists

Francisco Giffoni & Co. — Rua 1ª de Março N. 9, Drugs.

Electrical goods

H. Smyth & Co. — English Electrical Supplies. Rua do Rosario 115.
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J. Rodrigues & Co. — 50 R. Rosario. Dealers in wines, groceries,
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PETROPOLIS

This important and healthy suburb of the City of Rio de Janeiro, is situated amongst the hills to the North at an altitude of 826 metres (about 2,700 ft.) above the level of the sea.

PETROPOLIS is an extremely picturesque city with good drainage and water supply, and lighted by electricity. It is the fashionable suburb and summer resort, the nights being always cool, even in mid-summer. The Hotels are excellent.

Steamers, the property of the Leopoldina Railway Co., leave Prainha Wharf at 6.19 a.m. and 4 p.m. daily for an hour's journey across the Bay to Mauá, when passengers are transferred to a train which arrives at Petropolis at 8.26 a.m. and 6.10 p.m. Return trains from Petropolis by the Bay route leave daily at 7.30 a.m. and 5.54 p.m. The steamers are fitted with every convenience, restaurant, buffet, etc. The return fare, available for 8 days, is 10\$800.

Petropolis is also served by a railway route (a branch of the Leopoldina Railway) which runs round the Bay in combination with the Central Railway. Trains leave Central Station at 5 p.m. daily (S. Francisco at 5.28 p.m.), and return from Petropolis at 5.55 a.m.

The ascent of the range of hills to reach Petropolis by the Leopoldina Railway is made by the Riggenbach Rack system on one of the heaviest gradients (1 in 6-1/2) of any mountain railway in the world, so that the route is interesting and the scenery extremely picturesque.

h-be-aa

h-be-ec

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Carbonic acid pure.....	in abundance
Bicarbonate of soda.....	0,0528
" " potash.....	0,0051
" " lime.....	0,1056
" " magnesia....	0,1050
" " lithia.....	Traces
" " iron.....	0,0009
Sulphate of soda.....	0,0364
Chlorate of sodium.....	0,0198
Silica.....	0,0785
Oxide of aluminium.....	0,0011
Oxygen and other matter....	0,0015

Rio de Janeiro, May 8th, 1903.

DR. DANIEL HENNINGER.

Professor of the Polytechnic School,

The above signature was duly certified to by A. R. de S. Tupinambá, 2nd notary public.



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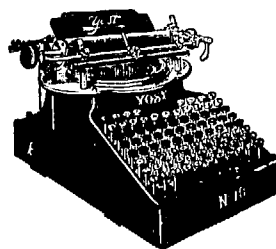
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RIO DE JANEIRO



THE LOAN IN LONDON

PROSPECTUS OF THE STATES OF BRAZIL GOVERNMENT 5 PER CENT. LOAN

Issue of £3,000,000 Nominal Capital, being the balance of the 1903 Loan for £8,500,000 Nominal Capital, of which only £5,500,000 was then issued.

This Loan was authorized by Laws No. 1,746 of the 13th October, 1869; No. 3,314 of the 16th of October, 1886, Article 7; No. 957 of the 30th of December, 1902, Article 22, paragraph 25; and by a Presidential Decree No. 4,839 of the 18th of May, 1903, in order to provide funds for works in connection with the Harbour, Port and Docks at Rio de Janeiro and the acquisition of land and houses required for this purpose.

In addition to forming part of the General Debt of the Federal Government, the Loan is secured by the revenue derived from the special tax up to 2 per cent. authorised to be levied upon imported goods as well as by all the net Revenues to arise from time to time from the landing charges, warehouse rents, and mooring, quay and other dues levied and collected at the Port, Harbour and Docks of Rio de Janeiro.

The President of the Republic of the United States of Brazil having authorised the issue of the above Bonds, in accordance with the above-mentioned Laws and Decree, Messrs. N. M. Rothschild and Sons will receive Subscriptions at their Office.

The Bonds will be to bearer in sums of £100, £500 and £1,000 each, with coupons for interest at the rate of 5 per cent. per annum, payable half-yearly, on the 1st of May and on the 1st of November, in London, in pounds sterling; and in Paris, Amsterdam, Brussels and Hamburg, at the exchange of the day on London.

Scrip will be issued, with a coupon due on the 1st November, 1905, for £2 10s per cent., representing the first six months' interest.

The price of issue is £97 for every £100 nominal capital, payable as follows:—

£5	on Application.
£12	» Allotment.
£10	» 18th of July, 1905.
£10	» 15th » August, 1905.
£10	» 12th » September, 1905.
£10	» 13th » October, 1905.
£10	» 14th » November, 1905.
£10	» 19th » December, 1905.
£10	» 19th » January, 1906.
£20	» 20th » February, 1906.

£97

Payment in full may be made under discount at the rate of 2 $\frac{1}{2}$ per cent. per annum, on any Tuesday or Friday after the Scrip has been issued.

The Loan will be redeemed by an accumulative Sinking Fund of 1 $\frac{1}{2}$ per cent. per annum, to be applied half-yearly by purchase of Bonds when the price is under par, and when at or above par by drawings. The redemption of the Bonds, by means of the Sinking Fund, will commence when the Works are completed, but the Government reserves the right to redeem the whole or any portion of the Loan at any time, on giving six months' notice.

Subscription Lists will be opened on Tuesday, the 6th of June, and closed on or before Wednesday, the 7th of June.

Application must be made in the annexed form, and accompanied by a deposit of 5 per cent. on the amount applied for. If the allotment should not require the whole deposit, the surplus will be returned; and if the deposit be insufficient for the first instalment on the amount allotted, the balance required must be paid forthwith.

In case of no allotment being made, the deposit of the applicant will be returned.

Failure to pay any of the instalments will render all previous payments liable to forfeiture.

The Scrip, after payment of the last instalment, will be exchanged for the Bonds as soon as they are ready for delivery. New-court, 5th June, 1905.

PROTEST BY THE RIO HARBOUR COMPANY AGAINST THE ISSUE

To the Editor of *The Financial Times*:

Sir,—The issue is announced in the papers today of a new Brazilian loan for the Rio port works. This loan is the balance of that issued in May, 1903, an issue against which this company strongly protested at the time on the ground that the security offered was the property of the company. The Government, after emphatically denying the company's right, was ultimately obliged to admit that this right had been established in its own Courts, and it then came to terms with the company (under contract) for the surrender of this right, on the condition, first, that the Government should pay the company the sum of £135,000; second, that the company should retain certain land of which it was then in possession. In notifying Messrs. Rothschild that its protest was withdrawn, the company wrote as follows:—

"I am instructed by my Board to inform you that they have to-day received a cable, dispatched from Rio last night, that the port works, including the right to the 2 per cent. tax in gold upon all imports, were yesterday transfer-

red by the company to the Government, part of the consideration being that this company retains the land on the Cobras Island. My directors, therefore, have much pleasure in informing you that their objection to the Stock Exchange settlement and quotation is now removed.—Yours faithfully, (Signed) *Frederick G. Scares*, Secretary."

Five months later the Government violated their contract and forcibly seized and retained the land referred to. After lengthy correspondence between the company and Messrs. Rothschild, as agents for the Brazilian Government, this company, having entirely failed to obtain satisfaction, placed the whole of the facts, accompanied by documents, plans and photographs, before the Committee of the Stock Exchange in July last, with a request that no further settlement and quotation for any Brazilian loan should be granted until the Government shall have compensated the company for this breach of its contract. To this request the Stock Exchange Committee replied that the protest would be taken into consideration in the event of any application being made for a settlement and quotation of any new Brazilian loan. This protest, therefore, stands on the records of the Stock Exchange, and will have to be dealt with before any dealings can be recognised in the new loan.

I am, &c.,

Frederick G. Scares, Secretary. — Rio de Janeiro Harbour and Dock Co., Ltd.—42 Poultry, E. C., 6th June.

To the Editor of *The Financial Times*:

Sir,—The attention of our clients (Messrs. N. M. Rothschild and Sons) has been called to a letter, in your issue of today, from the secretary of the Rio de Janeiro Dock and Harbour Company, protesting against the new Brazilian loan. Messrs. Rothschild desire us to point out that the question between the Government and the company does not affect the 2 per cent. tax which is the specific security for the loan, all claim to this having, as stated in the secretary's letter, been given up by the company.

The only outstanding question, on the company's own showing, is as to the possession of certain lands in the Cobras Island, and this has been the subject of legal proceedings, which have, so far, resulted in favour of the Government.

We may add that Messrs. Rothschild have cabled to Brazil, and have no doubt that they will receive a reply which will in every respect justify the position of the Government vis-à-vis the company.—We are, &c.,

Daves and Sons, 9, Angel-court, Throgmorton-street, E. C., 7th June.

To the Editor of *The Financial Times*:

Sir,—With reference to the letter from Messrs. Rothschild and Sons' solicitors of the 7th instant, my Board instructs me to inform you that the statement that the 2 per cent. tax (the specific security for the loan) is not affected, is misleading, and that it is wholly inaccurate to say that in my letter to you of the 6th instant I state that this company has given up its claim to same. The Government having broken its contract with my company, my directors contend (and they think that any impartial judge would agree with them) that they have the right to reopen the whole settlement.

The point at issue is so simple that it hardly bears discussing. The conditions upon which this company withdrew its protest in 1903 were clearly set out in this company's letter of the 11th June, 1903, to Messrs. Rothschild. Government fulfilled those conditions, and then, five months after, by an armed force, took away the most valuable part of the consideration—namely, the land on the Cobras Island.

The only legal proceedings taken within the knowledge of my Board on which any decision has been given is an ex parte application made in Rio by the Brazilian Government, supported by false statements of fact, of which no notice was given to this company, and which they had no opportunity given them of refuting. In cabling to Brazil, it is hoped by my Board that Messrs. Rothschild will not have troubled the Finance Minister, as it is felt that, having regard to this gentleman's previous information, no serious regard can be had for any statements made by him in this matter, as it will be remembered that on this company's previous protest he cabled to Messrs. Rothschild that there were no grounds whatever for this company's claim to the right to collect the 2 per cent. tax. This cable was sent by him in May, 1903, whereas it was within his knowledge that in the previous August this company had obtained the verdict of the Supreme Federal Court of Brazil in Rio, confirming to them, after a legal fight lasting some years, the absolute right to the collection of this tax.

My Board have specially instructed me to say that they will be very pleased to submit to you, or to anyone equally impartial, the agreements between this company and the Government, together with copies of the plans filed in the Government offices in Rio, showing the land that was agreed in June, 1903, to belong to this company, and since illegally (in fact, without any right whatever) taken by force by the Government. There is still, without doubt, a very serious blot upon the validity of the security for this loan—in fact, while the Brazilian Government acts as it is now acting, on all Brazilian securities.—I am, &c.,

Frederick G. Scares, Secretary, Rio de Janeiro, Harbour and Dock Co., Ltd. 42 Poultry, E. C., 8th June.

Dannemann & Co.

SÃO FELIX (BAHIA) — BRAZIL

AWARDED THE GRAND PRIZE AT THE ST. LOUIS EXHIBITION

The Leading Cigar Manufacturers in Brazil

Reg to advise Customers that they always keep a large stock of their most famous brands at their Export Agents :

MESSRS TH. & C. MÖLLER — HAMBURG.

Brook I (Free Port)

ATTENTION:—

Only genuine when bearing the Government Stamp, PERFORATED with their initials, viz:



From *The Money Market Review* :—

One of the incidents of last week was the announcement of the issue by the Brazilian Government of the balance, £3,000,000 in amount, of the 1903 Five per cent. Loan for £8,500,000, the object of which was "to provide funds for works in connection with the harbour, port and docks at Rio de Janeiro and the acquisition of land and houses required for this purpose." In addition to forming part of the general debt of the Federal Government, the loan was stated to be secured by the revenue derived from the special tax up to 2 per cent. authorised to be levied upon imported goods, as well as by all the net revenue to arise from time to time from the landing charges, warehouse rents and dues collected at the port of Rio. After the appearance of the advertisement the Rio de Janeiro Harbour and Dock Company, a London undertaking, promptly published a "protest" against the issue of the loan, denouncing the "Brazilian Government's breach of faith." The Government, after emphatically denying the company's right, was, it was said, ultimately obliged to admit that this right had been established in its own Courts, and then came to terms with the company (under contract) for the surrender of the right, on the condition — first, that the Government should pay the company the sum of £135,000; second, that the company should retain certain land on the Cobras Island of which it was then in possession. The interest agreed to be transferred to the Government included the 2 per cent. tax on imports. In consequence of the arrangement the objection which the company had raised to a Stock Exchange settlement and quotation for the original instalment of the loan was withdrawn.

It is asserted, however, that five months later the Government violated their contract, and forcibly seized and retained the land referred to. After lengthy correspondence between the company and Messrs. Rothschild, as agents for the Brazilian Government, the Company, having failed to obtain satisfaction, placed the facts before the Committee of the Stock Exchange in July last, with a request that no further settlement and quotation for any Brazilian loan should be granted until the Government should have compensated the company for its breach of contract. To this request the Stock Exchange Committee replied that the protest would be taken into consideration in the event of any application being made for a settlement and quotation for any new Brazilian loan, and the company submit that their protest will have to be dealt with before any dealings can be recognised in the present issue. To this Messrs. Rothschild's solicitors reply that the question between the Government and the company "does not affect the 2 per cent. tax, which is the specific security for the loan, all claim to this having, as stated in the secretary's letter, been given up by the company." The only outstanding question is said to be the possession of the land in the Cobras Island, and this, it is stated, "has been the subject of legal proceedings, which have, so far, resulted in favour of the Government." As the proceedings were ex-parte, in a Brazilian Court, this is not very surprising. The contention, however, is that the transfer of the right to collect the tax was part of a contract which has been vitiated by the seizure of the land. It is stated that Messrs. Rothschild have cabled to Brazil, and have no doubt that they will receive a reply which will justify the position of the Government. We hope they will, but also trust that if the Government is found really to have dealt unfairly with the interests of European shareholders the Stock Exchange Committee will not facilitate its obtaining further money from the pockets of the European public.

From *The Statist* :—

We understand that the new Brazilian issue has been a marked success. The applications have been very large, so that it will be possible to allot only a proportion of the amounts applied for. As we write, the allotment letters are expected to be sent out on Friday evening.

"Superaris" Another triumph of this wonderful century.

COTTON

The crop this year at São Paulo will be very large and unfortunately currency prices are lower than they have ever been. On the Sorocabana-which is the chief producing zone, Cotton, is being sold at \$800 to 28000 per 15 kilos *em caroço* and 78000 to 78500 per 15 kilos *beneficiado*. Apparently all the mills have large stocks of Pernambuco Cotton bought at 20 to 30% over present prices and the general outlook is very bad.

RUBBER

During the month of May 2,032 tons were shipped from Manaus and Pará of the value of £819,337 as against only 1,585 tons valued at £580,167 last year.

The unit of value in May last was £403.4s. per ton as against £367.12s. last year.

For the five months 1st Jan. to 31st May rubber has given £7,079,500 for the current year as against £5,312,462 last year.

Prices in Europe weakened slightly according to mail advices but still oscillate at about 5s. 8d. per lb.

Imports of Cotton Textiles and Jute from Great Britain

5 MONTHS — JANUARY TO MAY

DESCRIPTION	1905	1904	1905
Cotton Piece goods grey or unbleached..... yds.	1,400,300	3,758,400	1,680,800
do. bleached..... "	14,463,800	10,893,300	12,870,400
do. printed..... "	23,300,800	19,760,200	17,584,800
do. dyed..... "	19,141,000	18,303,700	17,090,800
do. mixed..... yds	58,405,900	52,715,600	49,226,800
Value..... £	633,501	620,065	579,886
Jute Yarn..... lbs	12,164,700	6,549,700	9,427,700
Jute manufactures: Piece goods of all kinds..... yds	171,300	129,100	128,200

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Casas & Souza — Rua V. do Rio Branco, corner Nuncio.

„Wholesale at :—

The General Depot and Offices of the Company; rua de São Bento n. 53, corner of Prainha (now Acre).

And at all the principal sugar dealers in town.

Ask for the Assucareira's Sugar and see you get it

"SUPERARIS" Is the national drink.

General News

Local Items. The returns of the Director General of Public Health for week ended 2nd July are as follows:—Yellow fever 8; bubonic plague, 1; small-pox, 8; measles 4; scarlet fever, 0; diphtheria, 4; whooping cough, 0; influenza, 12; typhoid fever, 0; dysentery, 0; beriberi, 0; leprosy, 1; erysipelas, 1; marsh fevers, 5; pulmonary diseases, 55; other contagious diseases, 6. Total 105. Violence, (including suicides) 12. Non-contagious diseases, 198. Total deaths from all causes, 315; equal to an annual death rate of 18.09 per 1,000 inhabitants. Mortality of contagious diseases to total number of deaths 33.33%. Under treatment in hospitals: yellow fever, 6; small-pox, 20; and bubonic plague, 2.

—A correspondent writing from the North, where, owing to the depressed conditions of Sugar and Cotton, prospects are not of the rosiest and a little pessimism might be allowable, strikes the right note when he says "progress in new and undeveloped countries like this must always go on; slowly at times it may be, but on the whole irresistibly. What we, who are interested in Brazil, have to do is to persuade our friends in England that whatever the drawbacks of the country may be the future is certain and will be brilliant."

We entirely endorse this opinion of an eminently competent person. We are sometimes accused of pessimism because we refuse to see everything *couleur de rose* or to pass over events and actions we cannot approve without comment. That, however, does not strike us as the best way to improve matters as every real friend of the country should try to do.

Besides, we have far too high an opinion of Brazilian character to believe that in reality the class that really governs objects to sincere criticism however severe. We have the privilege of some intimacy with this class and have never found it to be so; indeed, personally, we do not remember a single protest from official sources against anything we have written about the administration with which we have for years been so intimately connected, though it cannot be said that we have on occasion spared them. In fact the attitude of the open mind is characteristic of the best Brazilians—the class that governs—and is one of the most hopeful symptoms.

—Electric service on the Mattoso line of the Villa Isabel Tramway Co. was inaugurated with assistance of the Minister of Public Works on the 30th ult.

—The estimates are ready to be sent to Congress. They show Revenue and Expenditure to be balanced and an increase of 8,000,000 in gold revenue derived from the increase of the percentage of duties payable in gold.

—A proposal to transfer the Commercial Statistic service to the Ministry of the Interior has been quashed in the Chambers. In the course of the discussion some very complimentary allusions were made to this service, which we are proud to believe are not wholly undeserved.

In fact the Brazilian figures for value of import coincide so much more closely than any others with those for export to Brazil by the countries with which they respectively trade as to justify the impression that they will not only stand comparison with but in some respects are superior to most others.

—Another subterranean gallery was discovered during the excavation at the Morro do Castello but no Saints or treasure so far.

—The judge in charge of the Sorocabana liquidation has ordered the *syndicos* to give some more explanations about something and payments are consequently again postponed.

—Mr. Engineer Corthell is expected from New York by the s. s. *Byron* to arrive about the 23rd. inst.

—The American colony was prevented from celebrating the 4th of July with the usual festivities owing to the death of Mr. Hay the Secretary of State for Foreign Affairs.

—M. Coquelin and his company opened in the Lyric Theatre on Tuesday last and during the week continued playing their classical repertoire to crowded and appreciative houses.

—The President of the Republic has sent a message to Congress asking for authorisation to open a credit of 74:400\$ for payment to Bracconnot Brothers of the provisional electric installation at the Saude and Gamboa and for furnishing of electric energy of same during the months of November and December 1904.

—The Minister of Public Works is asking for power to admit free of duty 378,000 blocks of asphalt and 1,500 barrels of cement for the works on the Central Avenue.

—The North German Lloyd advise that the s. s. *Coblentz*, lately in collision with the British s. s. *Carnarvon*, has arrived at Ferrol with but very slight damage.

—Professor Lincoln Hutchinson of the University of California is at present amongst us, commissioned by the United States Government to make an enquiry into the conditions of American trade. Mr. Hutchinson is the author of a very able pamphlet on Reciprocity re-published in 1903 from the *Political Science Quarterly*.

—The contradictory statements published as regards the conclusion of the strike are due to the fact that it was not one strike but three strikes and yet it was one strike. In fact a regular striking trinity of coolers, sailors and launchmen, and of *stevedores* who all struck together and some have returned to work whilst others are dragging on.

—Three proposals by Engineers Lara, Pereira da Silva and Joaquim Catramby were opened on 31st ult. for the construction of the Madeira and Mamoré Railway. They are now under consideration.

São Paulo. Elections at the capital for a deputy to the State Assembly resulted in the victory of Dr. Domingues de Moraes by 21,680 votes against only 415 for his rival, Dr. José Leite Penteado.

—The Lloyd s. s. *Desterro* which ran ashore in a fog off Cananéa was fortunately got off without damage.

—The directors of the Paulista Railway have been authorized by the shareholders at the general meeting held on 31st ult to enter into negotiations with Government for lease of the Sorocabana.

It is, however, understood that the powers that be, for the moment, are by no means anxious to lease the line especially on the eve of elections when every vote will count.

On the subject the chairman of the Paulista Railway expressed himself in the following sense. The Paulista Railway is claimant for considerable revenues collected by the Sorocabana Railway Company to obtain payment of which a lawsuit was in course when the São Paulo Government proposed to buy the line. To facilitate matters the company agreed to desist from its claim on condition that the Sorocabana line should be leased to the Paulista and Mogyana consolidated company. The consolidation did not come off but the Paulista put in a tender for the lease as to which nothing has yet been decided; a fact that the chairman amiably attributes to the necessity Government is under of thoroughly studying the proposal, but others to the fact that, having got all they want, Government can throw over the Paulista and keep the railway for itself and its friends if it please.

—An interesting exhibition at Campinas of pictures by the two Brazilian artists Benedicto Calixto and Son is attracting a good deal of attention.

—A big factory has been started at S. Helena for making cotton oil.

—By the Messageries s. s. *Magellan* 900 immigrants arrived last week at Santos besides 750 per s. s. *Orleanais*, 34 per s. s. *Amiral Aube* and 900 per s. s. *Andes*, in all 2,604 in a month. The Government of São Paulo is doing its utmost to serve planters in the best possible way, by providing labour.

—The Minister of Agriculture is in a hurry and now proposes to make the Governor, Dr. Tibiriçá, as active as himself and drag him all over the country on a series of excursions, North, South, East and West, to study the resources of the State and see what can be done for Agriculture.

—"I have been in São Paulo," writes a distinguished American traveller, "for 15 days and have not yet seen a single drunken person. This, in a city with 300,000 inhabitants like this, would be impossible in the United States and I attribute it to the use of coffee instead of spirits as stimulant."

—The Engineers who are surveying the route of the North Western Railway (São Paulo to Matto Grosso) met at the rapids of Avatandava on the Tietê, one party having gone down the river in canoes and the other by land. The distance from Bakuru to Itapuru on the borders of the two States is 350 kilometres. The section now in construction is from Bauru to Itapuru. This line will be of the greatest importance and has probably a brilliant future, as it will traverse the great reserve of coffee lands that must before many years be planted and be as productive as Araraquara or Ribeirão Preto.

—Failures are becoming fashionable again and that of Antonio Pepe and Filho has been followed by that of Neves Botelho & Co—who were considered very serious people—but

Custodio Ribeiro, the managing partner, after borrowing money from all his friends, against "Vales" of merchandise which did not exist—bolted—letting in our Praça for 400 contos.

This failure is considered the worst one of its kind and beats all Italian imitators hollow.

— Exhibitions are the order of the day now in this State in consequence of the initiative taken by the energetic Minister of agriculture Dr. Carlos Botelho, at Piracicaba, Batataes, São Carlos, Itapetininga and Campinas. The firm that has made the best show so far as to exhibiting machinery is certainly Nathan & Co. This firm has besides a very fine show of Agricultural implements at their Central Office in the Rua S. Bento.

— Dourado Railway Coy. The rails etc. for the extension of this company's system have arrived in Santos per s.s. *Garriek*.

— São Simão Railway Coy. We hear negotiations in London are progressing in order to make the extension of this line to São Sebastião de Parauzo.

— Our enterprising contemporary—*Le Messager de São Paulo* has celebrated its fifth anniversary by a splendid number comprising 4 pages of reading matter and 16 of advertisements, a proportion that we may envy but scarcely dare to emulate. We however, wish our contemporary very many happy returns and that its advertisements may never grow less.

— Authorization has been granted to the Mogyama Company to extend its line from Sertão to Vassoural.

— A police piquet has left for Baurá to join the surveying party now exploring the Rio Feio, in Indian territory.

— By the s.s. *Algerie* and *Wittenburg* there arrived at Santos 1,321 immigrants.

— The Report of the Paulista Railway Company has come to hand too late to allow of its being translated and reproduced in its entirety. Like all the lines in the coffee regions the results of last year's working were not the most favourable. The coffee carried was smaller than it had been for years and almost everything fell off in proportion.

	1904.	1903.	1902.	1901.
Passenger..... No.	913,772	939,846	1,088,639	1,101,774
Cattle..... No.	24,420	17,956	15,955	21,953
Parcels..... Tons.	9,123	9,656	10,216	10,607
Coffee..... "	365,803	382,863	436,198	505,430
General Goods..... "	367,719	366,285	396,000	378,502
Receipts..... Rs.	18,259,888	20,101,754	24,972,744	27,293,917
Expenditure..... "	9,241,366	9,571,292	11,303,316	9,897,085
Surplus..... "	9,018,522	10,530,462	13,669,428	17,396,832
Reserve..... £	750,000	700,000	550,000	500,000
Debiture..... £	2,487,500	2,256,200	2,563,000	2,583,000

Paraná. At Curytiba the thermometer has registered 7 degrees below zero.

Rio Grande do Sul. Mr. Leonard Courtney's "hecatombs of slaughtered babes" pale before the petition presented to the governor of this State which compares the state or the city to a scene from Dante's Inferno. Plague and small pox are raging and the Health Department is apparently helpless.

Bahia. Revenues in June amounted to only 474,623\$ or 200,000\$ less than in 1904. Effect of Exchange! We hear that of the £ 1,000,000 lately borrowed only 2,000,000\$ now remain. In exchange employes have got their back pay and can settle with *shent-per-shent*; that is what loans are meant for. For the six months ended 30th June revenue was only 91,000\$000 less than last year, not a bad result considering that the rise of exchange represents a loss of 25 % on export duties, but perhaps the loan helped to make it up.

— Of the 340,274\$ corresponding to the 1 % surtax for the new Agricultural Bank, different exports contributed as follows.

Cocoa.....	134,465\$673
Tobacco.....	102,124\$533
Coffee.....	61,772\$036
Rubber.....	18,387\$814
Sugar.....	12,734\$805
Pinassava.....	6,131\$656
Untaxed products.....	3,430\$137
Timber.....	965\$346
Cocoa-nuts.....	259\$713
Cigars, cigarettes, etc.....	2\$175

Pernambuco. Mr. Richard Conolly, head of the broking firm of R. H. Conolly and Co., died on 5th ult. He was a well-known figure in Brazil and will be missed by many.

Rio Grande do Norte. The Governor has ordered 25,349 redeemed *apolices* of the value of 1,947,545\$ to be burnt. This is the second burning of these *apolices* of the State bonds, the first having been in the administration of Dr. Alberto Maranhão, when 929,294, payable to bearer, of the value of 497,556\$, were destroyed.

Pará. A *Folha do Norte* is much shocked by a band of unemployed who apparently amuse themselves by parading the Streets in *puris naturalibus* thereby leaving nothing to the parænese imagination.

Amazonas. The body of the late Bishop of Amazonas has been embalmed at Lisbon and will be conveyed to Manaus for final interment.

— The captain of the S. S. *Tracema*, who, as we stated last week, was caught smuggling, has been suspended for 3 months by the captain of the port of Manaus.

CLOCKS and WATCHES

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To place these fine watches within everybody's reach, a series of groups (*club de relógios*) have been organised, whereby with a weekly instalment of 10 francs, combined with a weekly drawing, subscribers may obtain a watch from the 1st to the 70th instalment. The winner of the 23rd, 46th, or final drawing will, in addition to the watch, receive his money back.

Every subscriber whose number is not drawn receives a watch after the 70th instalment.

Subscription to the 3rd group (*club de relógios*) is now open.

Sporting and Dramatic News

CRICKET AND TENNIS

AMERICAN LAWN TENNIS TOURNAMENT

Played at José Menino, Santos, on 29th June 1905

	Handicap	Games won	Games lost	Total
1 R. C. Lloyd & H. Mc-Kean.....	—30	36	12	48
2 F. du B. Kirton & C. Pritchard.....	Scratch	30	18	48
3 H. F. Hampshire & T. C. Shaw.....	—15	29	19	48
4 W. G. Seccombe & H. W. Wright.....	Scratch	25	23	48
5 A. Stenhouse & J. Williamson.....	+ 12 15	22	26	48
6 G. S. Tomlinson & J. H. D. de la Cour.....	— 12 30	17	31	48
7 T. W. Donaldson & H. W. Garner.....	Scratch	9	39	48
		168	168	336

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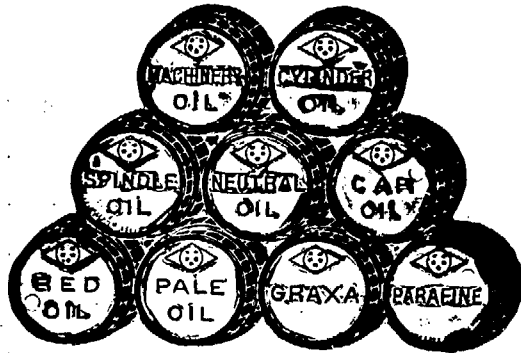
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Money Market

QUOTATIONS DURING WEEK CLOSING JULY 7th, 1905.
WEEK AS FOLLOWS:-

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

Maximum and Minimum Bank Counter Drawing Rates	30 d/s		3 d/s		90 d/s		SIGHT	
	London	Paris	London	Paris	London	Paris	London	Paris
July								
Sat. 1	16 1/4	580	16 1/4	580	16 1/4	580	16 1/4	580
Sun. 2	16 1/4	585	16 1/4	585	16 1/4	585	16 1/4	585
Mon. 3	16 1/2	585	16 1/2	585	16 1/2	585	16 1/2	585
Tues. 4	16 1/2	585	16 1/2	585	16 1/2	585	16 1/2	585
Wed. 5	16 1/2	585	16 1/2	585	16 1/2	585	16 1/2	585
Thur. 6	16 1/2	585	16 1/2	585	16 1/2	585	16 1/2	585
Fri. 7	16 1/2	585	16 1/2	585	16 1/2	585	16 1/2	585
Avg's:	16 1/4	580	16 1/4	580	16 1/4	580	16 1/4	580
1905.....	16 1/4	580	16 1/4	580	16 1/4	580	16 1/4	580
1904.....	16 1/4	580	16 1/4	580	16 1/4	580	16 1/4	580

Extremes at which business was done during the week ended July 7th, were 16 1/4-16 1/2 for 90 c/s Bank paper and 16 1/8-16 1/2 d. for private.

The average Bank 90 d/s counter drawing rate for the week comes out at 16 1/4 d. the corresponding sight rate being 16 1/4 d. against 16 3/16 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 39.74 % and the premium on gold 66.00 % against 39.98 % and 66.63 % last week. At these rates:

	was worth	148755	against	148861	last week
1 £.....	£787		£741		
1 shilling.....	£81		£82		
1 penny.....	£86		£88		
1 Franc.....	£74		£77		
1 Mark.....	£807		£807		
1 U. S. Dollar.....	£8198		£8226		

THE BRAZILIAN REVIEW

Saturday, July 8th, 1905.

On Monday the market opened with the Republica drawing at 16 3/8d. and the foreign banks at 16 11/32d. all of them buyers at 16 13/32d. and 16 7/16d. at which no bills were offering. As the Republica would only draw for subsequent mails at 16 3/8d. and as there was some demand for bills for the "Clyde," the foreign banks lowered their rates to 16 5/16d. buying ready bills at 16 3/8d. The market closed quiet at these quotations.

On Tuesday, the market remained completely stagnant, with the Republic drawing at 16 3/8d. and the other banks at 16 5/16d. with money for private paper at 16 13/32d. and 16 7/16d. The market closed with the same rates in banks and other paper at 16 3/8d. and 16 13/32d.

On Wednesday, the market opened firm with the foreign banks at 16 5/16d. and 16 3/8d. and 16 13/32d. in the Republic, with private paper offering at 16 7/16d.

The foreign banks advanced to 16 3/8d. private being quoted at 16 7/16d. and 16 13/32d. and some business was done.

The market closed with same bank rates, sellers of private at 16 7/16d. and few taken at 16 13/32d.

On Thursday the market opened with the bank drawing at 16 3/8d. and 16 13/32d. with other paper at 16 13/32d. Later the Republica gave 16 7/16d. at which some of the foreign banks also drew buying only at 16 17/32d.

There was however no animation and the market weakened, closing with banks at 16 3/8d. and 16 13/32d. with money freely offered for private at 16 13/32d.

On Friday, the market opened with the banks at 16 3/8d. and 16 13/32d. with private offering freely at 16 7/16d. in which business was done and at 16 13/32d. Later all the banks drew at 16 7/16d. with private at 16 13/32d. and 16 1/4. The market was very quiet and at the close, the Republica was drawing at 16 13/32d. the other banks remaining at 16 7/16d. and none of them taking private paper under 16 17/32d.

On Saturday the market opened with Banks at 16 7/16d. and 16 13/32d. private bills offering at 16 1/2d. business being done at 16 17/32d.

Later, all the Banks drew at 16 13/32d. the market firming. After midday some Banks drew at 16 1/2 against private bills at 16 9/16d.

Later the rates rose further, closing with the Banks drawing at 16 17/32d. firm, with sellers of private at 16 9/16d. and 16 13/32d. according to conditions, Banks taking at 16 5/16d.

Exchange closed this evening at 16 1/2d firm with a decidedly rising tendency.

The slight weakness noted towards the close of the previous week that we thought might be utilised by the Bank for a slump did not develop, but on the contrary, bills were offering freely, from Santos especially repassed paper, a good deal of which taken at much lower rates. The coffee houses however, at Santos are still bearish and only one of any importance is believed to have sold much exchange. From Pará, bills have been offering again, whilst Northwards all along the coast for the next six months produce bills will be able to supply local requirements.

Meanwhile sterling prices of coffee have gone up again and rubber remains at record prices.

The balance sheet of the Bank of the Republic shows

95,324:100\$ cash to the credit of the "New Account" and 5,162:199\$ to the old, in all 100,486:299\$, equivalent at 16d to about £6,700,000, whilst the account with agents in Brazil and in Europe shows 6,748:762\$ to its credit.

In the four foreign Banks the cash balances have fallen on the other hand lower than they have been for years, and amount altogether to only 20,930:414\$484.

London and Brazilian Bank.....	8.834:832\$090
London and River Plate Bank.....	2.931:630\$640
British Bank of South America.....	2.245:995\$810
Brazilianische Bank fur Deutschland..	6.917:955\$945

It is clear that under such circumstances with the whole coffee crop practically yet to be sold the rate is now in the hands of the Bank of the Republic that for months to come can dictate what it shall be, and as a correspondent writes, us "put it up to 20d or down to 16d as it pleases."

That was inevitable once the Bank safely weathered the hard months of April, May and June without a fall. To what, it is enquired, will rates go now? It is impossible to say but that they will go up until it pleases the Bank to utilize some of its immense cash reserves to cover we have no doubt whatever, especially as we understand that there is practically nothing to cover before November. By that time too the rubber crop which will be early, will be upon us, the biggest and most productive that has ever been known, besides the Sugar, Cotton, and Cacao crops all of which reach their zenith before the end of the year. Indeed, we doubt whether it will soon be in the power of the Bank of the Republic to keep rates ultimately from rising, especially if paper money to the value of 70,000:000\$ is to be burned, as is proposed.

Coffee bills are being offered more freely and the past week the value of shipments was £244,687 as against £311,057 the previous week and £231,757 last year.

Sales, however, amounted to 129,120 bags for the two markets as against 90,330 for the previous week and 108,000 last year and so promise good *embarques* for this week.

As regards new loans, the news is not reassuring; nothing further has been heard of the Paraná business, whilst the Amazonas two and a half millions is far off and that for Minas *in statu quo*, apparently until the election business is settled.

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By J. P. WILEMAN C. E.

(Editor of the "BRAZILIAN REVIEW")

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BUSINESS DONE ON THE RIO STOCK EXCHANGE

During the week ended July 8th, 1905

DESCRIPTION	Sales	Highest	Lowest	CLOSING		
				This week	Last	Date of last
GOVERNMENT SECURITIES						
Apollées Genées 5 % do fractions...	674	992\$	980\$	900\$	973\$	July 7
Internal Loan 1895 5 1/2 %	12,405\$	985\$	970\$	974\$	—	• 7
Currency, bearer...	245	990\$	975\$	980\$	1,003\$	• 7
Do order...	6	984\$	983\$	983\$	1,002\$	• 6
Do 1897 bearer...	214	1,010\$	1,000\$	1,010\$	1,026\$	• 7
Do 1893	83	990\$	973\$	980\$	991\$	• 7
Inscriptions 3 %	25	954\$	954\$	954\$	954\$	• 5
Do Fractions...	28,800	953\$	952\$	953\$	953\$	• 5
Rio de Janeiro Municipal Loan, bearer...	25	198\$	198\$	198\$	198\$	• 5
Do Gold (£ 20)	212	272\$	270\$	272\$	272\$	• 7
State of Rio de Janeiro 4 %	1,604	648\$	64\$	648\$	64\$	• 7
Do do 5 %	6	440\$	—	440\$	440\$	• 1
State of Minas, bearer...	47	700\$	780\$	700\$	785\$	• 7
BANKS						
Republica...	410	436	41\$	425\$	425\$	July 6
Commercial...	50	143\$	—	143\$	147\$	• 1
Inteidor...	1,770	382\$	3\$	382\$	—	• 7
RAILWAYS & TRAMWAYS						
Jardim Botânico Tr'y...	350	260\$	242\$	250\$	242\$	July 7
Viação Squaquely...	200	200\$	190\$	200\$	—	• 7
COTTON MILLS						
Brasil Industrial...	90	186\$	—	186\$	—	July 4
Confiança Industrial...	120	200\$	—	200\$	—	• 6
DEBENTURES						
Coreovado (factory)...	30	199\$	—	199\$	199\$	July 7
Jardim Botânico...	135	207\$	206\$	—	—	• 6
Carris Urbanos...	87	205\$	—	205\$	—	• 4
MISCELLANEOUS						
Internacional das Docas	2,600	525\$	2\$	3\$	585	July 7
Terras e Colonização...	2,900	525\$	4875\$	5\$	46	• 4

The total business done on the Rio de Janeiro Stock Exchange amounted to 2,915,567\$000 distributed as follows:—

Government securities.....	2,695,062\$500
Bank shares.....	29,872\$500
Railway & Tramway shares.....	90,172\$000
Cotton Mills.....	40,740\$000
Debentures.....	51,645\$000
Miscellaneous.....	8,075\$000

Total, week ending July 8th, 1905..	2,915,567\$000
• • • June 30th, 1905..	1,453,105\$400
• • • July 8th, 1904..	4,468,016\$000

"Superaris" NOT sold in bottles - not YET!

Maybe you're tired? TRY "Superaris" - then there'll be no maybes.

Banco da Republica do Brazil

OLD ACCOUNT

BALANCE SHEET, JUNE 30th, 1905.

ASSETS		
Bank securities:		
Federal and State Bonds.....	18,463:142\$280	
Federal Bonds, shares and debentures of Banks and Companies.....	35,663:808\$583	54,126:950\$863
Bills discounted:		
Not matured, with 2 endorsements.....	166:150\$000	
Not matured, with 1 endorsement.....	119:580\$000	285:730\$000
Bills deposited:		
Matured.....	78:620\$020	
Not matured.....	163:000\$000	241:620\$020
Bills receivable.....		
		236:880\$000
Securities in Liquidation:		
Value of the securities.....	23,882:658\$695	
Less:— Old premium in this a/c.....	11,472:547\$770	12,410,110\$925
Accounts current, guaranteed:		
Debtors, with guarantee.....	11,823:212\$673	
Debtors, under judicial process.....	22,585:001\$468	
Debtors, in accord with bank.....	3,236:538\$045	
Debtors, in liquidation.....	47,185:777\$345	84,830:520\$531
Less:— Old premium in this account.....	35,298:184\$737	49,532:344\$794
General Accounts Current:		
Debtors.....		15,987:467\$097
Accounts current:		
Debtors.....		1,655:918\$801
Accounts Current of Aid to Industries:		
Debits from liquidations of bonus loans.....		1:337\$040
Loans to industries:		
Capital.....	7,082:276\$260	
Interest.....	1,564:114\$770	8,646:391\$030
Agricultural Loans in Northern States:		
Balance of this a/c.....		231:700\$737
Agencies: Debit balance.....		
		79:094\$893
Real Estate: Balance of this a/c.....		
		9,189:602\$618
Bank Edifice.....		
		1,330:000\$000
Furniture.....		
		100:000\$000
Values deposited:		
As commercial security.....	176,799:963\$776	
Belonging to sundry parties.....	14,830:194\$882	191,630:158\$658
Repassed exchange (recambios).....		
		562:604\$850
Shares redeemed: (for redemption of capital) fraction of 0.30.....		
		1:020\$000
Redemption: of 3 % inscriptions during June.....		
		1,093:000\$000
Liquidations: in accord with Law 689 of Sept. 20, 1900 (inscriptions deliverable).....		
		988:600\$000
Cash, Currency.....		
		5,162:199\$025
		<u>353,492:732\$551</u>
LIABILITIES		
Capital.....		
		100,000:000\$000
Profit and loss.....		
		19,152:110\$116
Deposit: for redemption of hypothecary notes ex-Banco do Brazil.....		
		2:900\$000
Special creditors, in accord with Law 689 of Sept. 20th, 1900: Balance of liquidation of inscriptions and in cash.....		
		1,006:252\$819
Privileged creditors:		
By judicial deposits.....	362:372\$252	
By deposits in account current, without interest.....	336:536\$429	698:908\$681
Companhia Lloyd Brasileiro, in judicial liquidation.....		
		57:673\$004
Accounts current on loans to industries:		
Amount to strike from debit of <i>mutuaries</i>		1,127:206\$697
General accounts current: Credit balances.....		
		2,367:741\$465
Bank dividends unpaid.....		
		154:001\$000
Deposits of values, as stated in Assets.....		
		191,630:158\$658
Issue of 3 % bonds (inscrições).....		
	121,845:000\$000	
Less:— Redeemed up to May.....	84,834:100\$000	37,010:900\$000
Interest on 3 % inscriptions: Balance payable.....		
		284:790\$000
		<u>353,492:732\$551</u>

NEW ACCOUNT

BALANCE SHEET, JUNE 30th, 1905.

ASSETS		LIABILITIES	
Accounts Current, guaranteed.....	7,468:977\$656	Accounts current, without interest.....	26,349:020\$772
Bills discounted.....	6,693:104\$170	Accounts current, with interest.....	69,617:076\$628
" receivable.....	93:342\$285	Accounts current foreign.....	196:008\$406
Securities pledged.....	25,500:680\$501	Agents, in Brazil and in Europe.....	1,637:379\$851
deposited.....	70,291:130\$438	Bills, at interest.....	1,709:356\$960
Agents:		Judicial deposits.....	961:796\$822
In Brazil and in Europe.....	6,748:762\$401	Deposits, securities, etc.....	95,791:810\$939
Securities belonging to the		Federal Treasury:	
Bank (£, 1,130,000 at 27d.).....	10,045:700\$000	In current account.....	18,104:888\$304
Other securities.....	439:722\$120	Money at fixed maturity.....	10,000:000\$000
Accounts current with interest: Debtors with guarantee.....	7,899:655\$430	Exchange a/c..... (£, 1,000,000 at 27d.)	8,888:888\$880
Securities in liquidation.....	1,613:864\$834	Municipality of Rio de Janeiro: interest on Bonds	404:748\$166
Sundry accounts.....	2,698:857\$140	Profit & Loss.....	1,158:901\$135
Cash: In current money.....	95,324:100\$888		
	<u>284,819:987\$863</u>		<u>284,819:987\$863</u>

Rio de Janeiro, July 8th, 1905.— Custodio Coelho—L. Duque Estrada—Balthaz Carvalho, Directors.— A. Mesquita, Chief accountant.

Balance Sheets

London and River Plate Bank, Limited

ESTABLISHED 1862

Capital.....	£ 1,500,000
Capital paid-up.....	993,000
Reserve fund.....	1,000,000

BALANCE SHEET OF THIS BRANCH JUNE 30TH, 1905

Assets

Bills discounted.....	1,921,011\$920
Bills receivable.....	7,463,484\$450
Loans, Accounts pledged, etc.....	3,178,624\$120
Accounts with Head Office, branches & agencies.....	14,131,021\$050
Sundry accounts.....	1,024,743\$010
Securities pledged.....	10,143,802\$160
Securities in deposit.....	48,968,663\$510
Cash: In current money in the safe of the bank.....	2,631,639\$640
	89,961,010\$820

Liabilities

Declared capital of the branch.....	1,500,000\$000
Deposits, Fixed and with notice.....	6,303,029\$910
Accounts current with and without interest.....	11,180,823\$150
Sundry accounts.....	8,406,185\$400
Deposits of securities, etc.....	59,107,625\$670
Bills payable.....	102,410\$000
Accounts with Head Office, branches & agencies.....	3,301,056\$730
	89,961,010\$820

E. & O. E. — Rio de Janeiro, July 4th, 1905. — For the London & River Plate Bank, Limited (Signed) C. D. Simmons Manager; E. A. Tootal Sub-Accountant.

British Bank of South America, Limited

Capital 50,000 shares, £20 each.....	£ 1,000,000
Capital paid up.....	£ 500,000
Reserve Fund.....	£ 340,000

BALANCE SHEET, JUNE 30TH, 1905

Assets

Shareholders.....	4,444,444\$440
Bills discounted.....	2,384,983\$710
Loans, accounts pledged, etc.....	3,171,631\$770
Bills receivable.....	1,731,178\$870
Accounts with Head Office & Branches.....	4,650,199\$430
Securities pledged, etc.....	7,753,094\$930
Sundry accounts.....	1,091,746\$810
Cash: In current money.....	2,215,696\$810
	28,003,918\$230

Liabilities

Capital.....	8,888,888\$880
Accounts current without interest.....	1,312,978\$60
Accounts current with interest on notice.....	538,654\$730
Deposits fixed.....	1,182,249\$770
Accounts with Head Office & Branches.....	5,077,966\$950
Securities pledged and in deposit.....	6,340,128\$530
Bills deposited.....	1,491,272\$880
Bills payable.....	21,002\$100
Sundry accounts.....	2,749,570\$890
	28,003,918\$230

E. & O. E. — Rio de Janeiro, July 6th, 1905. — For the British Bank of South America, Limited (Signed) J. W. Appleton, Manager; E. Ribton Cooke, Accountant.

London & Brazilian Bank, Limited

Capital.....	£ 1,500,000
Capital paid-up.....	750,000
Reserve fund.....	650,000

BALANCE SHEET, JUNE 30TH, 1905

Assets

Capital Uncalled.....	6,666,666\$670
Bills discounted.....	561,049\$350
Bills receivable.....	6,967,066\$480
Accounts with Head Office & Branches.....	8,532,530\$670
Loans, accounts current, etc.....	3,149,636\$890
Accounts current guaranteed and sundry securities.....	2,926,111\$840
Sundry accounts.....	544,304\$870
Cash: In current money.....	8,834,832\$000
	38,181,927\$960

Liabilities

Capital.....	18,333,333\$330
Deposits.....	9,701,681\$220
Accounts current without interest.....	25,048\$560
Accounts current at short notice.....	1,093,062\$200
Fixed maturity.....	11,141,792\$010
Accounts with Head Office & Branches.....	2,496,508\$510
Accounts current guaranteed & sundry securities.....	2,926,111\$840
Sundry accounts.....	8,101,408\$020
Bills payable.....	182,714\$220
	38,181,927\$960

E. & O. E. — Rio de Janeiro, July 4th, 1905. — For the London & Brazilian Bank, Limited. — (Signed) F. Broad, Manager; A. G. C. Blake, Accountant.

Brasilianische Bank Für Deutschland

BALANCE SHEET, JUNE 30TH, 1905

Assets

Accounts current guaranteed.....	3,872,067\$479
Accounts with Head Office, branches and agencies.....	14,779,679\$965
Bills discounted.....	6,297,885\$100
Bills receivable.....	7,091,252\$744
Bills pledged.....	588,154\$390
Securities in deposit.....	5,483,035\$429
Securities in deposit.....	24,633,803\$000
Cash: In current money.....	6,947,355\$914
	69,566,313\$622

Liabilities

Capital: 1 Mark = 18000.....	10,000,000\$000
Accounts current with interest.....	6,461,914\$635
with Head Office, branches and correspondents.....	2,164,625\$431
Deposits fixed.....	8,751,105\$444
Securities pledged and in deposit.....	4,462,171\$852
Sundry accounts.....	37,495,738\$131
	1,134,731\$366
	69,566,313\$622

E. E. & O. — Rio de Janeiro. — Therl — John, Directors.

S. PAULO

London and River Plate Bank, Limited

ESTABLISHED IN 1862

Capital.....	£ 1,500,000
Capital paid up.....	900,000
Reserve fund.....	1,000,000

BALANCE SHEET OF THIS BRANCH JUNE 30TH, 1905

Assets

Bills discounted.....	1,879,043\$900
Bills receivable.....	1,724,768\$480
Loans, accounts pledged, etc.....	1,200,163\$170
Accounts with Head Office, branches and agencies.....	1,353,732\$190
Sundry accounts.....	36,494\$330
Loans pledged and sundry securities.....	8,844,973\$010
Cash: In current money in the safe of the bank.....	5,081,189\$330
	20,218,367\$190

Liabilities

Declared capital of this branch.....	500,000\$000
Deposits fixed.....	61,180\$980
Accounts current with and without interest.....	1,159,130\$230
Sundry accounts.....	1,692,204\$420
Securities pledged and in deposit.....	8,814,073\$910
Bills payable.....	69,688\$980
Accounts with Head Office, branches and agencies.....	7,922,692\$000
	20,218,367\$190

E. & O. E. — S. Paulo, July 6th, 1905. — For the London and River Plate Bank, Limited, (Signed) A. H. Butler, Manager. — E. C. Bowd p. Accountant.

London & Brazilian Bank, Limited

Capital.....	£ 1,500,000
Capital paid up.....	£ 750,000
Reserve Fund.....	£ 650,000

BALANCE SHEET OF THE BRANCH IN SÃO PAULO, JUNE 30TH, 1905

Assets

Bills discounted.....	2,416,574\$280
Bills receivable.....	3,196,934\$670
Loans, accounts current, etc.....	6,894,467\$910
Accounts with Head Office and Branches.....	11,758,451\$830
Accounts current guaranteed and sundry securities.....	9,888,105\$450
Sundry accounts.....	323,310\$800
Cash: In currency.....	4,034,274\$310
	28,461,148\$150

Liabilities

Deposits: accounts current with and without interest.....	5,947,967\$350
Deposits fixed.....	3,780,358\$060
Accounts current guaranteed and sundry securities.....	9,838,105\$450
Accounts with Head Office and branches.....	2,790,688\$150
Sundry accounts.....	6,987,060\$450
Bills payable.....	10,978\$700
	28,461,148\$150

S. Paulo, July 6th, 1905. — For the London & Brazilian Bank, Limited. — A. B. Min sub-Manager, J. Hobbs, Accountant.

The British Bank of South America, Limited

Capital subscribed.....	£ 1,000,000
Paid realized.....	£ 500,000
Reserve Fund.....	£ 340,000

BALANCE SHEET OF THE S. PAULO BRANCH JUNE 30ST, 1905

Assets

Bills discounted.....	1,103,879\$530
Bills receivable.....	869,161\$750
Loans, accounts pledged, etc.....	4,086,678\$160
Accounts with Head Office and branches.....	666,709\$800
Securities pledged.....	7,401,500\$930
Sundry accounts.....	42,121\$030
Cash: on hand.....	984,536\$790
	15,146,837\$000

Liabilities

Bills payable.....	5,672,240
General Accounts current.....	1,000,310\$750
Accounts current with notices.....	301,357\$780
Deposits fixed.....	99,409\$180
Accounts with Head Office and branches.....	5,927,405\$450
Securities pledged.....	6,270,075\$810
Bills and Securities in deposit.....	1,131,515\$090
Sundry Accounts.....	709,420\$570
	15,146,837\$000

E. & O. E. — São Paulo, July 6th, 1905. — For the British Bank of South America, Limited (Signed) Frank Dodd, Manager. — H. S. Kriaman Accountant.

Coffee Market

Rio de Janeiro, July 8th 1905.

Entries for the week ended July 7th show already a considerable improvement, being 78,571 bags larger than the previous week's and 31,237 more than the corresponding week's last year. Some rain fell on the 3rd but otherwise in the Rio and Minas districts the weather has been fine. In São Paulo some rain fell but nothing to throw back entries to any extent.

Entries for 1st week of crop

1905—06.....	188,776
1904—05.....	156,539
1903—04.....	279,878
1902—03.....	191,894
1901—02.....	280,463

So far entries are so small as to have led some people to already considerably modify their estimates. The disappointment is greater because a particularly early crop was looked for and sufficient allowance is not made for the wet, damp weather just when good weather was wanted for drying. It is, of course, far too early to form any opinion as to the yield but we see no reason yet to modify our calculations of over 11,000,000 bags for the two ports.

There is still talk of an arrangement between the Government of São Paulo and a big local and an American firm to put prices up to \$5000 per 10 kilos for which, it is said, a bill will be shortly presented to the S. Paulo Congress and, though we do not

believe that it will come to anything, it may serve to bolster up the hopes of the planters and keep them for a time from marketing their goods. The conviction amongst the million is that exchange is too high and must come down and prices rise in consequence, all of which tends to keep coffee back, a tendency that the improvement in prices abroad will but serve to confirm. The best informed houses at São Paulo seem unmistakably 'cheerish,' which could scarcely occur were the crop so short as is now being represented.

The falling off in the Visible Supply of the World was less than was expected, only 27,100 tons (459,000 bags) according to Daring and Zoon and 477,000 bags according to the New York Coffee Exchange.

Shipments (embarkations) for the week ended July 7th were 36,673 under the previous week's but 5,598 more than for the corresponding week last year.

The strike is now all over and there is no more difficulty in shipping coffee either here or at Santos.

Selling was more active specially at Santos, declared sales being 38,799 more than last week and 21,120 more than last year.

Prices improved, the average for Rio No. 7 rising from 4\$596 to 4\$747 as against 5\$900 last year and 3\$983 the year before, whilst at New York it rose from 7.75 cents to 7.81 as against 7.26 last year and 5.21 in 1903.

Stocks rose 52,358 bags but were still 41,838 under those of the same day last year and 92,120 less than in 1903.

At Santos stocks have been verified with the result that they show 15,332 less than the calculated figure for 1st July 1905, a result that speaks volumes in favour of our statistical methods.

Santos, July 7th, 1905.

The market took most decidedly a firm tendency and with higher prices the transactions also became larger. Europe sent better orders and principally Mediterranean and Northern ports are buying, paying about 59/ to 39/6 for Superiors, basis Hamburg.

The Cia Registradora of Santos has started its transactions. The business in New York Type No 4 was lively and August and September was dealt in at 48700. To a certain extent this business is local.

Heavy rains in the interior are detaining receipts and under these circumstances the real export business of the new crop has not started as yet. Altogether the crop is about a month late.

The world's visible shows a fair decrease and according to Lancuville's statistics the visible amounts to 11,215,000. This may not fulfil everybody's hopes as regards the decrease against last year's visible but on the whole must be considered very fair.

Superiors, are worth 48500 to 48600 new coffees, old coffees are 100 to 200 réis less, Primes quote 200 réis higher and Goods 200 to 300 réis lower. The demand is principally for new coffees. Old coffees with roasting merits in higher grades had a good demand and prices obtained for such qualities are very satisfactory. Peaberries are strong and Superior Peas are worth 58400.

Receipts were moderate for the season and shipments slack. Our stock amounts to 867,868 bags of which 450,000 to 500,000 are in *Commissários* hands.

Exchange closed 16 1/2d. money and *Pauta* continues at 450 réis.

COFFEE ENTRIES

Rio	FOR THE WEEK ENDED			FOR THE CROP TO	
	July 7 1905	June 30 1905	July 8 1904	July 7 1905	July 8 1904
By Central R'y.....	24,334	14,230	21,904	24,334	24,636
Leopoldina R'y:					
Inland.....	16,005	14,517	6,857	16,005	7,319
Coastwise, discharged..	1,164	488	1,423	1,164	1,423
Total.....	42,103	29,235	30,184	42,103	33,437
Transferred from Rio to Nietheroy.....	150	70	139	150	1,621
Net Entries at Rio.....	41,953	29,165	30,045	41,953	31,816
Coastwise, in transit.....	—	3,000	—	—	3,000
Nietheroy from Rio & Leopoldina R'y.....	430	980	362	430	2,065
Total Rio including Nietheroy & transit.....	42,383	33,155	30,407	42,383	36,881
Santos:	145,393	76,060	126,132	145,393	143,478
Total Rio & Santos.....	187,776	109,265	156,539	187,776	180,359

The coast arrivals for the week ended July 7th, were from:—

Macahé.....	708
S. João da Barra.....	346
Angra dos Reis.....	100
Paraty.....	10
Total.....	1,164 bags.

The total entries by the different S. Paulo Railways for the Crop to July 7th, 1905 were as follows:—

	Per		Total at Santos	Total at S. Paulo	Remaining at S. Paulo
	Past Jundiahy	Sorocabana and others			
1905/1906:	134,917	7,045	141,962	145,393	nil
1904/1905:	142,551	6,254	148,805	143,478	5,327

COFFEE LOADED (EMBARQUES)

Rio.....	DURING WEEK ENDED			FOR THE CROP TO	
	1905 July 7	1905 June 30	1904 July 8	1905 July 7	1904 July 8
Nietheroy.....	51,729	44,000	25,074	51,729	30,674
In transit.....	2,788	—	2,478	2,788	4,772
Total Rio including Nietheroy & transit.....	54,517	44,000	27,552	54,517	35,446
Santos.....	74,203	118,456	95,743	74,203	103,067
Total Rio & Santos.....	128,720	162,456	123,295	128,720	138,513

"Superaris" Is what you should drink when out of sorts.

"Superaris" Mixes fine with all spirits.

CASA VEIGA

Rua do Ouvidor, 25— CORNER OF 1° DE MARÇO

Newspapers, Reviews, Modes, Magazines

POST CARDS, ASSORTED, RECEIVED BY EVERY MAIL

Ridgeway's Tea. "H. M. B" Royal Tea.

MANIFESTS OF COFFEE

During the Week ended July 7th, 1905

RIO DE JANEIRO

DATE	NAME OF VESSEL	DESTINATION	SHIPPERS	BAGS	TOTAL	
July 1	Santos.....	S. Francisco.....	Siqueira & Co.....	25	110	
"	do	Laguaira.....	Ornstein & Co.....	60		
"	do	S. Francisco.....	Sundry.....	25		
" 1	Idalina.....	Macão.....	do	50	50	
" 3	Gonçalves Dias.....	Cenrá.....	Ornstein & Co.....	580	9,129	
"	do	do	Siqueira & Co.....	850		
"	do	do	Zenha, Ramos & Co.....	600		
"	do	do	Sundry.....	20		
"	do	Pará.....	Ornstein & Co.....	450		
"	do	do	Siqueira & Co.....	160		
"	do	do	Zenha, Ramos & Co.....	1,045		
"	do	do	Pinto & Co.....	165		
"	do	do	J. Dias & Irmão.....	70		
"	do	do	Gustav Trinks & Co.....	270		
"	do	do	Eugen Urban.....	280		
"	do	Itacatiara.....	Zenha, Ramos & Co.....	39		
"	do	Manoás.....	Siqueira & Co.....	160		
"	do	do	Sundry.....	125		
"	do	do	Pinto & Co.....	155		
"	do	do	J. Dias & Irmão.....	35		
"	do	Maranhão.....	Siqueira & Co.....	65		
"	do	do	Ornstein & Co.....	110		
"	do	do	J. Dias & Irmão.....	10		
"	do	do	Pinto & Co.....	165		
"	do	Pernambuco.....	J. Dias & Irmão.....	200		
"	do	do	Pinto & Co.....	745		
"	do	do	Eugen Urban.....	319		
"	do	do	Pinto & Co.....	30		
" 4	Nile.....	Uruguayana.....	Zenha Ramos & Co.....	80	4,917	
"	do	Buenos Aires.....	Siqueira & Co.....	350		
"	do	do	Pinto & Co.....	450		
"	do	do	Gustav Trinks & Co.....	100		
"	do	do	E. Ashworth & Co.....	535		
"	do	do	Ornstein & Co.....	1,500		
"	do	do	Eugen Urban.....	134		
"	do	do	Norton Megaw & Co.....	76		
"	do	do	Sundry.....	659		
"	do	Montevideo.....	John Moore & Co.....	100		
"	do	do	Gustav Trinks & Co.....	100		
"	do	do	Pinto & Co.....	352		
"	do	do	Siqueira & Co.....	145		
"	do	do	Sundry.....	45		
"	do	Natal.....	J. W. B. Purchas.....	100		
"	do	Capetown.....	do	200		
" 5	Clyde.....	Messel Bay.....	Zenha Ramos & Co.....	400		1,950
"	do	do	Norton Megaw & Co Ltd.....	500		
"	do	Algon Bay.....	Zenha, Ramos & Co.....	250		
"	do	Capetown.....	Pinto & Co.....	500		
" 5	Brazil.....	Manoás.....	do	90	480	
"	do	do	Zenha, Ramos & Co.....	30		
"	do	do	J. Dias & Irmão.....	165		
"	do	Maranhão.....	do	20		
"	do	Paralyba.....	Siqueira & Co.....	125		
"	do	Obidos.....	Sundry.....	50		
" 6	Campo.....	Pernambuco.....	Zenha, Ramos & Co.....	2,200	2,200	
" 6	Jokay.....	Trieste.....	Theodor Wille & C.....	10,359	16,799	
"	do	do	C. Dabelow.....	3,139		
"	do	do	Ornstein & Co.....	1,850		
"	do	do	Gustav Trinks & Co.....	951		
"	do	Venice.....	Theodor Wille & Co.....	500		
" 6	Moorish Prince.....	New York.....	Ornstein & Co.....	3,000	4,122	
"	do	do	Eugen Urban.....	250		
"	do	do	Hard, Rand & Co.....	872		
" 6	Garrick.....	New Orleans.....	Ornstein & Co.....	6,039	18,638	
"	do	do	Hard, Rand & Co.....	8,098		
"	do	do	Theodor Wille & Co.....	3,000		
"	do	do	C. Dabelow.....	501		
"	do	do	E. Johnston & Co.....	500		
"	do	do	Eugen Urban.....	250		
"	do	do	Norton, Megaw & Co.....	250		
" 7	Tennyson.....	New York.....	W. F. McLaughlin & C.....	3,289	10,839	
"	do	do	Norton, Megaw & Co.....	2,500		
"	do	do	Hard, Rand & Co.....	1,297		
"	do	do	C. Dabelow.....	1,250		
"	do	Algon Bay.....	Hard, Rand & Co.....	1,100		
"	do	East London.....	do	400		
"	do	do	Norton, Megaw & Co.....	600		
Total.....				60,731		

Corrections. The s.s. France which sailed on June 27th took 50 more bags of coffee for Ornstein & Co. for Odessa.

The s.s. Magellan which sailed on June 29th took one more bag of coffee under "Sundries" for Bordeaux.

The s.s. Prinz Eitel Friedrich which sailed on June 30th took 330 bags of coffee for Gustav Trinks & Co. Hamburg, and not 400 as stated.

The s.s. Caravellas which sailed on June 30th took 500 bags of coffee for Ornstein & Co. for Havre.

SANTOS

DATE	NAME OF VESSEL	DESTINATION	SHIPPER	BAGS	TOTAL
July 1	Saturno	Buenos Aires	Sundry	100	100
" 5	Tennyson	New York	Hard, Rand & Co.	9,282	
"	do	do	E. Johnston & Co.	8,500	
"	do	do	Holworthy Ellis & Co.	8,050	
"	do	do	W. F. McLaughlin & Co.	1,500	
"	do	do	Prado, Chaves & Co.	1,000	
"	do	do	N. Gepp & Co. Ltd.	500	
"	do	do	Lion & Co.	860	19,192
" 5	Clyde	Southampton	Sundry	10	10
" 6	Lewisham	Buenos Aires	O. S. Lima	1,741	1,741
" 6	Tijuca	Hamburg	W. Botel & Co.	3,750	
"	do	do	Theodor Wille & Co.	3,000	
"	do	do	Schmidt & Frost	2,356	
"	do	do	E. Johnston & Co.	2,000	
"	do	do	Zerrenner Bulow & C.	1,940	
"	do	do	N. Gepp & Co., Ltd.	1,750	
"	do	do	Krische & Co.	1,502	
"	do	do	Prado, Chaves & Co.	500	
"	do	do	Barbosa & Co.	500	17,298
" 6	Aquitaine	Marseilles opt.	N. Gepp & Co.	500	
"	do	do	Prado Chaves & Co.	250	
"	do	do	Nossack & Co.	250	
"	do	Alexandria opt.	Theodor Wille & Co.	3,000	4,000
" 6	Durndale	Buenos Aires	Krische & Co.	1,613	
"	do	do	R. Gomes & Co.	319	1,932
Total					44,273

The coffee sailed during the week ended July 17th, was consigned to the following destinations

	UNITED STATES	EUROPE & MEDITERRANEAN	COAST	RIVER PLATE	CAPE	OTHER PORTS	TOTAL FOR WEEK	CROP TO DATE
Rio	14,456	32,878	9,049	3,837	—	—	60,731	60,731
Santos	19,192	21,308	—	3,773	—	—	44,273	44,273
Total 1904/1905	33,650	54,186	9,049	8,610	—	—	105,004	105,004
1903/1904	41,119	16,945	657	721	1,800	—	61,312	62,599

VALUE OF COFFEE CLEARED FOR FOREIGN PORTS

Week ended

	July 7	June 30	July 7	July 3	Crop to June 30	
	Bags	Bags	£	£	Bags	£
Rio	51,682	15,235	96,977	30,982	51,682	96,977
Santos	44,273	188,490	85,015	362,922	44,273	85,015
Total 1904/1905	95,955	203,831	181,992	8-3,850	95,955	181,992
do 1903/1904	59,254	10,458	111,006	201,022	60,703	114,343

Companhia Registradora de Santos. Referring to what we wrote in our number of 13th June about the formation in Santos of a local Clearing House for future sales of coffee under the above style, it will interest our readers to hear that the Company has been definitely formed & commenced operations on 5th inst. The first directors elected were: Edward Greene, President; Antonio Candido Gomes, G. Georgius and Thomas Thornton.

The following gentlemen form the Conselho Fiscal: J. D. Martins, Antonio Carlos Bezerra Paes, Alberto Kemnitz, and Sr. A. G. Monteiro de Castro has been appointed manager.

The following daily sales have been registered: July 5th 5,000 bags; 6th 2,000 bags; 7th 4,000 bags; 8th 10,000 bags, closing quotations being on 8th inst:

Sellers: July 4.700; August 4.759; September 4.750. The basis of operations is the New York Exchange Standard No. 4.

In July next it would seem that the Visible Supply will be about the same as now.

Visible on July 1st 1905	11,000,000
Entries Brazil	12,000,000
" other countries	4,500,000
Consumption	27,500,000
" Santos	16,500,000
Probable Visible Supply, July 1st, 1906.	11,000,000

A circular, dated 1st July, was received from Messrs. Prado Chaves & Co. and advises that the house has opened a branch in this city *rua de São Bento No. 8*, of which Mr. George Rosenheim, who was for years connected with coffee business at Santos is in charge and will sign for the firm.

"Superaris" Is the water to drink if you "have a liver".

"Superaris" Mixes perfectly with lemon and sugar.

PLANTING CONDITIONS IN MAY

The only reports received are from the 3rd district (Sorocabana and Itana) where the *coração*, or clearing round the foot of the trees, was continued and on many plantations especially in the S. Manoel district harvesting had begun. On the Tiete, however, few plantations had commenced harvesting and the fruit was still backward in consequence of the heavy rains towards the end of the month. The crop which will not be heavy will consequently be tardy and be prolonged into the winter and will retard cleaning and manuring.

The aspect of the trees is agreeable but it is early yet to make forecasts as to the coming crop with the winter and spring yet to be faced. Planters are very disappointed at the low prices of coffee which at best only yields bare interest on the working capital.

DISTRICT	RAINFALL		TEMPERATURE	
	Normal	Total month	Normal	Average for month
Taubaté	42.8	83.2	18.9	19.2
Campinas	63.4	144.5	17.4	18.9
Ribeirão Preto	35.9	51.0	17.9	19.9
S. Carlos do Pinhal	89.6	120.0	17.2	18.0
Botucatu	41.9	143.0	16.1	17.1
Santos	149.1	175.5	20.7	21.3

MODEL FURNITURE FACTORY
AULER & CO.

The largest and most important factory in South America

104 RUA DO LAVRADIO 104

COFFEE SAILED DURING THE MONTH OF JUNE 1905
Per Destinations

NAMES	RIO bags.	SANTOS bags.	TOTAL bags.
Montevideo	775	1,180	1,955
Marseilles opt.	3,000	1,500	4,500
Alexandria opt.	—	4,000	4,000
Buenos Aires	7,000	6,826	13,826
Hamburg	6,702	4,888	11,590
Rosario	—	1,030	1,030
New York	21,630	134,861	156,491
Cadiz	—	293	293
Barcelona	—	170	170
Copenhagen	—	125	125
Rotterdam	—	8,063	8,063
Amsterd.	—	515	515
Breuch	—	850	850
Genoa	1,250	2,258	3,508
Naples	—	117	117
Canal S.	50	7,000	7,050
Marseilles	6	—	6
Bordeaux	851	144	995
London	—	6,278	6,278
Havre	—	2,750	2,750
Teneriffe	—	550	550
New Orleans	10,276	20,607	30,883
Trieste	—	12,500	12,500
Venice	—	250	250
Leixões	4	—	4
Durban	250	—	250
Mossel Bay	300	—	300
Cape Town	1,000	—	1,000
Constantinople	625	—	625
Smyrna	2,125	—	2,125
Oran	1,511	—	1,511
Alger	1,301	—	1,301
Bonn	100	—	100
Odessa	2,500	—	2,500
Messina	250	—	250
Talcahuano	220	—	220
Punta Arenas	178	—	178
Valparaiso	200	—	200
Alga Bay	750	—	750
East London	1,125	—	1,125
Philippville	400	—	400
Stockholm	253	—	253
Hamburg opt.	2,125	—	2,125
Southampton	1	—	1
Montaganon	375	—	375
Aival	250	—	250
Dedengatch	125	—	125
Saloues	500	—	500
Geffe	131	—	131
Wiborg	986	—	986
Coastwise:			
Paranaguá	15	109	115
Rio Grande do Sul	722	—	722
Antonius	100	—	100
Pernambuco	2,827	—	2,827
Pelotas	1,162	2	1,164
Porto Alegre	645	2	647
Deuterro	100	—	100
Mãos	2,045	—	2,045
Maranhão	1,859	—	1,859
Paralyba	345	—	345
Pará	4,410	—	4,410
Ceará	1,150	—	1,150
Maceió	745	—	745
Santarem	40	—	40
Corumbá	78	—	78
Obidos	30	—	30
Tatyra	100	—	100
S. Francisco	59	—	59
Mossoró	—	500	500
Rio de Janeiro	—	2	2
Iguape	—	1	1
Total 1905	86,070	254,769	341,489
" 1904	215,944	360,707	565,701
" 1903	278,149	613,017	891,166

Per Shippers

NAMES	RIO bags	SANTOS bags	TOTAL bags
Theodor Wille & Co.	3,500	33,375	34,875
Kriehle & Co.	—	6,550	6,550
W. Botel & Co.	—	10,560	10,560
Zerrenner, Bilow & Co.	—	2,000	2,000
Prado, Chaves & Co.	—	27,233	27,233
Baldwin & Co.	—	5,748	5,748
Hard, Rand & Co.	15,551	11,160	26,711
W. P. Mc Laughlin & Co.	7,500	3,521	11,021
Holworthy, Ellis & Co.	—	10,401	10,401
Lion & Co.	—	750	750
Nossack & Co.	—	6,132	6,132
Naumann, Gepp & Co, Ltd.	—	19,209	19,209
The Hills Bros Co.	—	442	442
Schmidt & Trost	—	4,286	4,286
Alves Lima & Co.	—	1,370	1,370
George Emmer	—	6,250	6,250
Arbuckle & Co.	—	101,000	101,000
E. Johnston & Co.	1,300	—	1,300
Ornstein & Co.	20,760	—	20,760
Norton, Megaw & Co, Ltd.	3,513	—	3,513
Eugen Urban	3,186	—	3,186
Serqueira & Co.	3,623	—	3,623
John Moore & Co.	300	—	300
Rieth, Hneer & Co.	600	—	600
J. W. B. Purchas	1,300	—	1,300
Pinto & Co.	7,999	—	7,999
Gustav Trinks & Co.	3,078	—	3,078
Zenba, Ramos & Co.	2,559	—	2,559
Jorge Dias & Irmão	1,380	—	1,380
Ed. Ashworth & Co.	1,800	—	1,800
C. Dablow	951	—	951
Sundry	7,579	4,736	12,315
Total 1905	86,670	254,769	311,439

Per Shipping Companies

NAMES	RIO bags	SANTOS bags	TOTAL bags
Lloyd Brasileiro	14,575	500	15,075
Societe Generale de Transports Maritimes	11,853	6,880	18,533
Cruzeiro do Sul	59	500	559
Royal Mail Steam Packet Company	2,449	10,824	13,273
Hamburg-Sudamerikanische D. G.	5,372	1,500	6,872
Lampert & Holt Line	24,175	54,468	78,643
A. Folk	—	463	463
Hamburg America Line	5,969	46,384	52,353
Norddeutscher Lloyd	625	3,662	4,287
Navigation "Italia"	—	1,611	1,611
Ligne Braziliens	1,625	5,336	6,961
Messageries Maritimes	6,395	144	6,539
Royal Hungarian Sea Navigation "Adria"	—	12,750	12,750
Sundry	—	109,637	109,637
Chargeurs Reunis	599	—	599
Amstian Lloyd	1,300	—	1,300
E. C. Paracense	2,809	—	2,809
Empreza Brasileira de N. "Freitas"	5,189	—	5,189
Companhia de Navegacao "Costeira"	3,267	—	3,267
Pacific Steam Navigation Comp.	648	—	648
Total 1905	86,670	254,769	311,439

OUR OWN STOCK

RIO: Stock on June 30	183,277
Entries during week ended July 7	41,953
Loaded (Embarques) for the month	225,230
51,792	
Stock in Rio on July 7	173,438
Stock at Nietheroy and Aflont on June 30	34,111
Entries at Nietheroy plus total embarques including transit	55,010
89,121	
Deduct: embarques at Nietheroy and sailings during the week	63,602
Stock at Nietheroy and aflont on July 7	25,519
Stock in 1st and 2nd hands and those at Nietheroy and aflont on July 7	198,957
SANTOS: Stock on June 30	816,678
Entries for week ended July 7	145,393
Loaded during same week	962,071
74,203	
Stocks in Santos on July 7	887,868
Stocks in Rio and Santos on July 7th, 1905	1,086,825
do do on June 30th, 1905	1,049,398
do do on July 1st, 1904	1,128,663

FOREIGN STOCKS

	June 30/1905	June 23/1905	July 1/1904
United States Ports	3,603,000	3,660,000	2,465,000
Havre	2,519,000	2,552,000	3,442,000
Both	6,122,000	6,212,000	5,907,000
Deliveries United States	73,000	78,000	84,000
Visible Supply at United States ports	3,770,000	3,730,000	2,820,000

COFFEE PRICE CURRENT

For the week ended July 7th, 1905

DESCRIPTION	July 1	July 3	July 4	July 5	July 6	July 7	Aver. ages
RIO N. 6. per 10 kilos	min. (4.698	4.688	4.766	4.766	4.834	4.894	4.800
max. (4.766	4.766	4.834	4.834	4.902	4.902	4.962	
" N. 7 " " "	min. (4.562	4.562	4.630	4.630	4.698	4.698	4.747
max. (4.630	4.630	4.698	4.698	4.766	4.766	4.766	
" N. 8 " " "	min. (4.425	4.425	4.493	4.493	4.562	4.562	4.527
max. (4.493	4.493	4.562	4.562	4.630	4.630	4.630	
" N. 9 " " "	min. (4.289	4.289	4.357	4.357	4.425	4.425	4.391
max. (4.357	4.357	4.425	4.425	4.493	4.493	4.493	
SANTOS superior per 10 kilos	3.900	3.900	3.900	4.000	4.000	3.400	3.950
Good Average	3.800	3.800	3.800	3.900	3.900	3.400	3.850
N. YORK per lb.							
Spot N. 7	7 3/4			7 13/16	7 13/16	7 7/8	7 5/8
" 8	7 1/2			7 9/16	7 9/16	7 5/8	7 5/8
Options		Holiday	Holiday				
July	6.45			6.60	6.60	6.60	6.56
Sep	6.65			6.85	6.80	6.80	6.77
Dec	6.95			7.10	7.05	7.05	7.04
HAVRE, per 50 kilos							
Options							
July	43.75	43.75	44.50	45.00	45.25	45.25	44.85
Sep	44.25	44.25	45.00	45.25	45.50	45.50	44.96
Dec	44.75	44.50	45.50	45.75	46.00	46.00	45.42
HAMBURG per 1/2 c.							
Options							
July	36.00	35.75	35.75	36.50	36.50	36.50	36.17
Sep	36.25	36.00	36.25	36.75	37.00	37.00	36.64
Dec	36.75	36.50	37.00	37.25	37.50	37.50	37.08
LONDON per cwt.							
Options							
July	35 5	35	35 6	35 9	36 3	35 1	35 7
Sep	35 6	35 6	35 9	36 3	36 6	36 6	36
Dec	36	36	36 3	36 9	37	37	36 6

SALES OF COFFEE for the week ending

	July 7, 1905	June 29, 1905	July 18, 1904
Rio	22,000	14,000	32,900
Santos	107,120	76,330	76,000
Total	129,120	90,330	108,900

HOURS OF RAINFALL

(By favour of the Leopoldina Railway)

STATIONS	JUNE-JULY											
	30th.	1st.	2nd.	3rd.	4th.	5th.	6th.	7th.	8th.	9th.	10th.	TOTAL
S. Francisco Xavier				6							6	12
Pilar				4							4	8
Maua				8							8	16
Rain de Serra				12							12	24
Petropolis				12							12	24
Areal				2							2	4
S. Jose do Rio Preto				2							2	4
Entre Rios				2							2	4
Serra				2							2	4
Sacoa				2							2	4
Bicas				2							2	4
Furtado de Campos				2							2	4
Canary				2							2	4
Ligação				2							2	4
S. Geraldo				2							2	4
Teixeiras				2							2	4
P. Nova				2							2	4
Saude				2							2	4
Nietheroy				2							2	4
P. das Cruzes				2							2	4
Cachoeiras				2							2	4
Th. de Oliveira				12	12	10					34	12
Erilburg				2	4						6	4
Sumidouro				2							2	4
Porto Novo				2							2	4
V. Grande				2							2	4
Rescu				2							2	4
Leopoldina				2							2	4
Cataguazes				2							2	4
Mirahy				2							2	4
Palma				2							2	4
Patrocinio				2							2	4
S. Paulo				2							2	4
Forquilha				2							2	4
Santa Lucia				2							2	4
Cardoso				2							2	4
Macteo				2							2	4
Tres Irmaos				3							3	1
Paraocena				2							2	2
Lurangeiras				2							2	2
Capivary				2							2	2
Indyassá				2							2	4
Machô				2							2	4
Glycerio				2							2	4
C. Aracuaia				2							2	4
Triumpho				2							2	4
M. Moraes				2							2	6
Campos				2							2	4
S. Fidella				2							2	2
S. Braga				2							2	6
Atafona				2							2	6
Murundú				2							2	6
Munty				2							2	6
M. Freire				2							2	18
Paraito				2							2	8
Itaperuna				2							2	4

"Superaris" Mixes splendidly with milk.

"Superaris" Mixes well with all wines.

Café, Restaurant and Confectioner

At the Central Railway Station, Rio de Janeiro
BRANCH OF "SAMBRINUS" RESTAURANT
RUA GENERAL CAMARA NO. 15

FIRST CLASS CUISINE—FINE WINES
Draft or Bottled Beer, Coffee, Patisserie, Milk,
Sugar, Jams

LUNCHEON BASKETS FOR TRAVELLERS

Shipping

ARRIVALS AT THE PORT OF RIO DE JANEIRO During the week ended July 7th, 1905

DATE	NAME OF VESSEL	FLAG	RIG	TON- NAGE	FROM
July 1	Corby	British	S. S.	2,280	Cardiff
1	Alagoas	Brazilian	do	1,969	Mauáos
1	Victoria	British	do	3,742	Valparaiso
1	Terneo	Argentine	do	933	Buenos Aires
1	Campeiro	Brazilian	do	463	Porto Alegre
1	King's Country	British	Schooner	2,061	Península
1	Monte Alegre	Brazilian	do	120	Itaboraana
1	S. João	do	do	37	Macacé
2	Rudi	do	S. S.	164	Florianópolis
2	Nadia	British	do	1,552	V. Constitucion
2	Iolanthe	do	do	1,943	Cardiff
2	Despique	Brazilian	Schooner	30	Cabo Frio
3	Nile	British	S. S.	3,299	Southampton
3	St. Leonards	do	do	2,763	Glasgow
3	Tolosa	do	do	2,099	Cardiff
3	Bertholey	do	do	2,443	do
3	Ursula Bright	do	do	2,114	Rosario Santa Fé
3	Amete	Danish	Schooner	264	Bahia
4	Bahia	German	S. S.	3,069	Hamburg
4	Candelaria	Brazilian	do	729	Peruambuco
4	Victoria	do	do	431	Porto Alegre
4	Carica	do	do	141	Santos
5	Pakcha	British	do	2,842	Wellington
5	Clide	do	do	3,051	Buenos Aires
5	Parahyba	Argentine	do	1,886	do
5	Itaquí	Brazilian	do	512	Porto Alegre
6	Porto Alegre	do	do	306	Montevideo
6	Fidelse	do	do	259	S. João da Barra
6	Tennyson	British	do	2,332	Santos
7	Tyne	do	do	1,854	London
7	Orleanais	do	do	1,992	Marseilles
7	Aquitaine	French	do	1,710	Buenos Aires
7	Tijuca	German	do	3,066	Santos
7	Compos	Brazilian	S. S.	299	S. João da Barra
7	Tigre	do	Schooner	23	Gauchos

SAILINGS FROM THE PORT OF RIO DE JANEIRO During the week ended July 7th, 1905

DATE	NAME OF VESSEL	FLAG	RIG	TON- NAGE	FOR
July 1	Victoria	British	S. S.	3,742	Liverpool
1	Malina	Brazilian	do	729	Mauáos
1	Esperanca	do	do	469	Bahia
1	Dundale	British	do	2,068	Buenos Aires
1	Santos	Brazilian	do	966	Montevideo
1	Tijuca	German	do	3,066	Santos
1	Telesorinha	Brazilian	do	257	S. João da Barra
2	Almas ante	do	Schooner	196	Rajahy
2	Carica	do	S. S.	111	Porto Alegre
2	Tamar	British	do	2,063	London
2	Munipny	Brazilian	do	304	Victoria
2	Itapeuna	do	do	713	Porto Alegre
2	Tennyson	British	do	2,332	Santos
2	Itaipava	Brazilian	do	76	Porto Alegre
2	Itapary	do	do	77	Buenos Aires
3	Gonçalves Dias	do	do	190	Mauáos
3	Mauchetta	Engl.	do	2,833	Buenos Aires
3	Ursula	British	do	403	Rio G. do Sul
3	Titan	British	do	2,625	Santos
3	Santos	German	do	3,114	do
3	Aila	Norwegian	Schooner	1,145	Canada
4	Nile	British	S. S.	3,299	Buenos Aires
5	Clide	do	do	3,051	Southampton
5	Brazil	Brazilian	do	1,939	Mauáos
5	Campeiro	do	do	433	Peruambuco
5	Guarani	do	do	643	Caravellas
5	Itabora	do	do	33	Porto Alegre
5	Santa Cruz	do	do	94	Paraty
5	Activo II	do	Schooner	—	Cabo Frio
6	Pakcha	British	S. S.	2,842	London
6	Iolanthe	do	do	2,116	Middlesborough
6	Jokai	Hungarian	do	1,677	Pune
6	Moorish Prince	British	do	1,427	New York
6	Garrick	do	do	1,397	New Orleans
6	Canof	Brazilian	do	1,093	Aracaty
6	St. Leonards	Brit sh.	do	2,763	Valparaiso
6	Orion	Brazilian	do	967	Buenos Aires
6	S. João	do	Yacht	37	Macacé
6	Conselheiro	do	Schooner	320	Itaboraana
6	S. João da Barra	do	S. S.	230	S. João da B. rr
6	Parahyba	do	Yacht	724	do
7	Tennyson	British	S. S.	2,332	New York
7	Amphitrite	do	do	1,475	Buenos Aires
7	Dusiani	do	do	1,686	do
7	Terneo	Argentine	do	933	Paranaguá
7	Paranaguá	do	do	1,205	do
7	Cofield	German	do	2,444	Santos
7	Candelaria	Brazilian	do	729	do
7	Garcia	do	do	141	do
7	Aurora	do	Yacht	53	Cabo Frio
7	Jorge	do	do	32	do

ARRIVALS AT THE PORT OF SANTOS During the week ended July 7th, 1905

DATE	NAME OF VESSEL	FLAG	RIG	TON- NAGE	FROM
July 1	Caravellas	French	S. S.	1,971	Dunkerque
1	Guasca	Brazilian	do	277	Rio de Janeiro
1	Saturno	do	do	515	do
2	Victoria	do	do	365	Porto Alegre
2	Tijuca	German	do	3,066	Hamburg
2	Aquitaine	Brazilian	do	587	Rio de Janeiro
2	Dundale	British	do	2,068	Marseilles
3	Tennyson	do	do	2,331	New York
3	Engenia	Brazilian	Schooner	24	Guaratuba
3	Dona	Danish	S. S.	2,342	New York
3	Itaquí	Austrian	do	513	Porto Alegre
4	Clide	British	do	3,051	Buenos Aires
4	Titan	do	do	2,637	Manchester
4	Aquitaine	French	do	1,710	Buenos Aires
4	Bologna	Italian	do	3,063	Hamburg
4	Santos	German	do	3,114	Aracaty
4	Carica	Brazilian	do	114	Rio de Janeiro
4	Itaipava	do	do	613	Porto Alegre
5	Porto Alegre	do	do	576	Montevideo
5	Nile	British	do	3,298	Southampton
6	Rendor	Brazilian	Schooner	151	Tijucas
6	San Lorenzo	Argentine	S. S.	597	Buenos Aires
6	Orion	Brazilian	do	340	Rio de Janeiro

SAILINGS FROM THE PORT OF SANTOS During the week ended July 7th, 1905

DATE	NAME OF VESSEL	FLAG	RIG	TON- NAGE	FOR
July 1	Industrial	Brazilian	S. S.	171	Laguna
1	Guasca	do	do	277	Paranaguá
1	Saturno	do	do	515	Buenos Aires
1	Carica	do	do	192	Rio de Janeiro
1	Hiltemberg	German	do	2,362	Buenos Aires
3	Victoria	Brazilian	do	365	Rio de Janeiro
3	Santos	do	do	587	Montevideo
4	Clide	British	do	3,051	Southampton
4	Itaquí	Brazilian	do	513	Peruambuco
4	Bologna	Italian	do	3,062	Buenos Aires
5	Nile	British	do	3,298	do
5	Itaipava	Brazilian	do	613	Porto Alegre
5	Tennyson	British	do	2,332	New York
5	Porto Alegre	Brazilian	do	576	Rio de Janeiro
6	Lewisham	British	do	1,734	Buenos Aires
6	Dundale	do	do	2,068	do
6	Aquitaine	French	do	1,710	Marseilles
6	Artemor	British	do	2,383	Montevideo
6	Tijuca	German	do	3,066	Hamburg
6	British Prince	British	do	1,432	Buenos Aires
7	Carica	Brazilian	do	714	Rio G. do Sul

FOREIGN VESSELS AFLOAT

IN RIO DE JANEIRO HARBOUR

on July 7th 1905.

Steamers		Sailing Vessels	
Corby	Tons 2,280	Amete	Tons 264
Nadia	" 1,552	Trinité	" 1,472
Iolanthe	" 1,943	Harvest Queen	" 1,804
Tolosa	" 2,099	Errol	" 1,364
Bertholey	" 2,443	Cicilia	" 323
Ursula Bright	" 2,114	Giovanni Albanese	" 485
Bahia	" 3,069	Wanja	" 384
Parahyba	" 1,886	Alfild	" 1,332
Orleanais	" 1,992	Lady Palmerston	" 1,208
Aquitaine	" 1,710	Jadryga	" 299
Tijuca	" 3,066	Baltzer	" 397
Manchester Exchange	" 2,649	Charles Dickens	" 1,305
Winifred	" 1,802	Sirrah	" 419
Persiana	" 2,616	Josephine	" 870
Llangibby	" 2,451	Luther	" 262
Morderskin	" 2,538	Martina	" 722
Planet Neptune	" 2,821	Svanhilda	" 1,959
Waverley	" 2,512	Still Water	" 1,052
Cataluna	" 1,915	King's County	" 2,061
Zodiac	" 1,871		
Syracusa	" 1,543		
Canões	" 2,626		
Everingham	" 1,949		
Total	Tons 50,808	Total	Tons 20,173

IN SANTOS HARBOUR

on June 7th, 1905.

Steamers		Sailing Vessels	
Cyfarfa	Tons 1,959		
Otto Sverdrop	" 2,291		
Caravellas	" 1,971		
Dona	" 2,342		
Titan	" 2,637		
Santos	" 3,114	None	
San Lorenzo	" 597		
Total	Tons 14,811		

CURRENT COFFEE FREIGHT RATES

FOR THE WEEK ENDED JULY 8th, 1905

	Rio	Santos
Amsterdam	40/- & 5/0	—
Aden via Trieste	50/- & 5/0	50/- & 5/0
Antwerp 1,000 kilos	40/- & 5/0	35/- & 5/0
Alexandria**	55 fcs. & 10/0	55 fcs. & 10/0
Alicante	61 fcs. in full	50 fcs. in full
Algiers via Marseilles	51 1/2 fcs. & 10/0	51 1/2 fcs. & 10/0
Almerie	58.50 fcs. in full	—
Agniles	73.50 fcs. in full	—
Algon Bay	via Southampton	37/6 & 2 1/2 0/0
	» New York	37/6 & 2 1/2 0/0
	» Hamburg	38/6 & 2 1/2 0/0
Bassorah	» Antwerp or Bremen	43/6 & 2 1/2 0/0
	» Hamburg	49 fcs. & 10/0
	» Trieste	35 fcs. & 10/0
Barcelona	78/6 & 2 1/2 0/0	55/- & 5/0
Beira	via Hamburg	78/6 & 2 1/2 0/0
	» Trieste	55/- & 5/0
	» Southampton	78/6 & 2 1/2 0/0
Bilbao	83/6 & 2 1/2 0/0	—
Bremen	56.50 fcs. in full	60.50 fcs. in full
Bordeaux, 900 kilos	40/- & 5/0	35/- & 5/0
Bombay via Trieste	35 fcs. & 10/0	35 fcs. & 10/0
Braila	50/- & 5/0	50/- & 5/0
Brindisi**	57.50 fcs. & 10/0	57.50 fcs. & 10/0
Buenos Ayres per bag. 60 kilos	49 fcs. & 10/0	49 fcs. & 10/0
Beyrouth**	12.00	12.00
Cadiz	70 fcs. & 10/0	70 fcs. & 10/0
Do via Genoa & Marseilles	35 fcs. & 10/0	35 fcs. & 10/0
Calcutta via Trieste	63 fcs. & 10/0	—
Carthagena	55/- & 5/0	55/- & 5/0
Colombo	61 fcs. in full	50 fcs. in full
Corfu**	50/- & 5/0	50/- & 5/0
Currahee	55 fcs. & 10/0	55 fcs. & 10/0
Coruna	50/- & 5/0	50/- & 5/0
Cavalla**	53.50 fcs. in full	53.50 fcs. in full
Christiania	58 fcs. & 10/0	58 fcs. & 10/0
Copenhagen direct	45/9 in full	—
Cape Town	via New York	42/6 & 5/0
	» Hamburg	37/6 & 5/0
	» Buenos Aires	38/6 & 2 1/2 0/0
Constantinople	» Southampton	37/6 in full
	» Antwerp or Bremen	38/6 & 2 1/2 0/0
	» Hamburg	43/6 & 2 1/2 0/0
Coquimbo	43/6 & 2 1/2 0/0	52 1/2 fcs. & 10/0
Durban	via New York	52 1/2 fcs. & 10/0
	» Trieste	50s. & 5/0
	» Buenos Aires	42/6 & 5/0
Delagoa Bay	» Southampton	55/- & 5/0
	» Antwerp or Bremen	43/6 & 2 1/2 0/0
	» Hamburg	48/6 & 2 1/2 0/0
East London	via New York	62/6 & 5/0
	» Hamburg	55/- & 2 1/2 0/0
	» Southampton	55/- & 2 1/2 0/0
Finme	» Antwerp or Bremen	55/- & 2 1/2 0/0
	» New York	60/- & 2 1/2 0/0
	» Hamburg	42/6 & 5/0
Galatz**	42/6 & 5/0	—
Genoa 1,000 kilos	43/6 & 2 1/2 0/0	—
Gibraltar via Genoa	43/6 & 2 1/2 0/0	—
Gijon	60/- & 2 1/2 0/0	—
Hamburg	48/6 & 2 1/2 0/0	—
Havre, 900 kilos	42/6 & 5/0	—
Hongkong via Trieste	43/6 & 2 1/2 0/0	—
Kobe via Trieste	43/6 & 2 1/2 0/0	—
Liverpool	40/- & 5/0	—
London 1,000 kilos	40/- & 5/0	—
Do (options)	37/6 & 5/0	—
Malaga	40 & 5/0	—
Do via Genoa & Marseilles	35 fcs. & 10/0	—
Malta do do	62 fcs. & 10/0	—
Marseilles 1,000 kilos	35 fcs. & 10/0	—
Messina**	35 fcs. & 10/0	—
Metelino**	45 fcs. & 10/0	—
Montevideo per bag. 60 kilos	45 fcs. & 10/0	—
Mombasa via Trieste	63 fcs. & 10/0	—
Mossel Bay	12.500	—
	via New York	55/- & 5/0
	» Hamburg	55/- & 5/0
Mostaganem via Marseilles	» Southampton	62/6 & 5/0
	» Antwerp or Bremen	45/- & 2 1/2 0/0
	» Hamburg	45/- & 2 1/2 0/0
Naples	50/- & 2 1/2 0/0	—
New York Liners per bag	53 fcs. & 10/0	—
N. Orleans Liners »	43 1/2 fcs. & 10/0	—
Odessa**	40c. & 5/0	—
Oran	40c. & 5/0	—
Panajes	57 fcs. & 10/0	—
Palma de Mallorca	51 1/2 fcs. & 10/0	—
Penang via Trieste	60.50 fcs. in full	—
Palermo	53.50 fcs. in full	—
Patras**	60/- & 5/0	—
Pireus**	45 fcs. & 10/0	—
Port Said**	45 fcs. & 10/0	—
Rotterdam	52 1/2 fcs. & 10/0	—
Rangoon via Trieste	55 fcs. & 10/0	—
San Sebastian	40/- & 5/0	—
Santander	55/- & 5/0	—
Samsom**	60 1/2 fcs. in full	—
Seville	56.50 fcs. in full	—
Shanghai via Trieste	58 fcs. & 10/0	—
Smyrna**	46 fcs. in full	—
Southampton 1,000 kilos	65/- & 5/0	—
	52 1/2 fcs. & 10/0	—
	35/- & 5/0	—
	32/6 & 5/0	—

Suez via Trieste	50/- & 5/0	50/- & 5/0
Salonica**	52 1/2 fcs. & 10/0	52 1/2 fcs. & 10/0
Sulina**	57 fcs. & 10/0	57 fcs. & 10/0
Tacahuano	45s. & 5/0	—
Taragoune	53.50 fcs. in full	50 fcs. in full
Trebizond**	58 fcs. & 10/0	58 fcs. & 10/0
Trieste	40/- & 5/0	35s. & 5/0
Tunis**	53 fcs. & 10/0	53 fcs. & 10/0
Valencia	53.50 fcs. in full	50 fcs. in full
Vapnaiso	45/- & 5/0	—
Varna**	62 1/2 fcs. & 10/0	62 1/2 fcs. & 10/0
Venice via Genoa or Marseilles	50 fcs. & 10/0	50 fcs. & 10/0
Vigo	53.50 fcs. in full	60.50 fcs. in full
Yokohama via Trieste	65/- & 5/0	65/- & 5/0
Zanzibar via Trieste	55/- & 5/0	55/- & 5/0

* Royal Mail Steamers in combination with Houlder Bros.
** Conference rates via Marseilles, Genoa or Trieste.

THE FREIGHT MARKETS

British. Fairplay of June 15th says that there is no special feature to report this week as in consequence of the Whitautide holidays business has been more or less restricted.

Coal rates from Wales were 9s. The Manchester Investor hand the Archbank being fixed at that price.

Argentine. Parcel rates for Brazilian ports continue to be quoted firm, under a plentiful supply of cargo. The strikes at Santos and Rio induce regular liners to Europe calling at those ports to refuse parcels. Business is, therefore, practically in the hands of regular traders to and from Brazilian ports. We quote as follows from B. A.: Porto Alegre 24/; Pernambuco 20/; Bahia 22/; Santos 13/; Rio 12/. Other lower ports 14 s/ to 16 s/.

Local Market.—The forward engagements for the week were as follows:—

Per S. S. Uranus	for Trieste	17,500 bags of coffee
» » Titan	» New Orleans	14,500 » »
» » Tijuca	» Hamburg	6,000 » »
» » Nile	» Buenos Aires	3,134 » »
» » Las Palmas	» Genoa	1,475 » »
» » Clyde	» Mossel Bay	800 » »
» » do	» Delagoa Bay	250 » »
» » Nile	» Montevideo	445 » »

The Messageries Maritimes. It will be seen by this Company's accounts for the past twelve months that the receipts last year amounted to 67,322,227 fcs., as compared with 65,086,345 fcs. in 1903 (eleven months), 70,851,197 fcs. in 1902, 70,236,429 fcs. in 1901, and 72,146,200 fcs. in 1900; the expenditure last year was 59,367,099 fcs., against 58,261,171 fcs., 66,966,994 fcs., 65,884,215 fcs., and 67,581,199 fcs. in the four preceding years. From the balance 2,474,091 fcs. is deducted for interest on loans, against 2,197,387 fcs. in 1903, and 2,008,378 fcs. in 1902; 4,283,871 fcs. is written off for depreciation, against 3,529,516 fcs. a year ago; and a dividend of 10 fcs. per ordinary share paid, the same as for the previous year.

The annual meeting of the Company was held at Paris on the 27th May. M. André Lebon presiding. In speaking of the future of the Company the chairman said:

We are within about three or four days from the end of the first six months of the financial year, 1905, and at the moment of speaking, our purely commercial receipts show an improvement of more than 5,000,000 francs on those of 1904, at the same date. On the other hand the *primes de navigation* which we have earned exceed by more than a million those by which we profited last year at the same period. That amounts to an excess of about six-and-a-half millions in favour of 1905. It is true that from these six-and-a-half millions there have to be deducted the expenses relating to about 50,000 leagues run in excess of 1904; but even after accounting for this a considerable—a very considerable—amount, but as to which I will certainly not disclose the figure, remains to the credit of the net profits of the working for the year. Our business is dependent on so many circumstances, within and without, that we must resign ourselves to live from hand to mouth. However, if this improvement continue—and I repeat that our efforts are all directed to this end—we shall be able, without difficulty, to declare a dividend for the year 1905 of 5 per cent. on the preference shares, to which they are entitled, and further to declare the same on the original shares, in spite of the fact that we are giving effect in a very great measure to the wise and judicious line indicated by the auditors.

Brazil is noted for its fine drinking waters. "Superaris" will make Brazil FAMOUS.

Railway News and Enterprise

SUNDRY TRAFFIC RETURNS

Railway	Mileage		Latest Earnings Reported		Aggregate to date		
	1905	1904	Week or Month	1905	1904	1905	1904
Braz. Gt. South... b	110	110	April	27,456	17,684	122,118	83,058
Leopoldina	1,460	1,460	July 1.	18,277	18,178	375,512	319,725
S. Braz. Rio Grande. b	176	176	Apr.	204,122	206,842	1,056,883	1,181,893

a Earnings reported in pounds, b in mill reis.

"Superaris" If you have a headache drink it.

LIVERPOOL BRAZIL AND RIVER PLATE STEAMERS

LAMPORT & HOLT LINE

Passenger service for New York

TITIAN..... 10th July
 THESPIS..... 26th July
 BYRON..... 2nd August

The steamer

THESPIS

4,343 tons

illuminated with electric light sails on 26th July for

New York

Taking 1st & 3rd class passengers for above port and for

BARBADOS

Through 3rd. class tickets issued to the principal cities of the United States & Canada
 The voyage is much quicker than by way of England and without the inconvenience of transfer

"Tennyson" & "Byron" have also superior 1st class accommodation

For freight apply to the Broker

Wm. R. McNiven.

68, RUA 1ª DE MARÇO

For passages and further information apply to the

Agents: NORTON, MEGAW & Co., Ltd.

58, RUA PRIMEIRO DE MARÇO
 ae-bl-ca x x

WILSON SONS & CO. (LIMITED)

2, Rua de S. Pedro

RIO DE JANEIRO

AGENTS OF THE

Pacific Steam Navigation Company
Shaw Savill & Albion Co., Ltd.
The New Zealand Shipping Co., Ltd.
The Horden 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.

Coal.—Wilson, Sons & Co., Limited, have depôts at St. Vincent, (Cape Verde), Montevideo, La Plata, and at the chief Brazil ports; and among others, supply coal under contract, at Rio. to:

The Brazilian Government;
 His Britannic Majesty's Government;
 The Transatlantic Steamship Companies;
 The New Zealand Shipping Companies etc.

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

Tug boats always ready for service.

Cargo Lights.—ditto.

Ballast supplied to ships.

Establishments: Wilson, Sons & Co., Limited, London, Cardiff, St Vincent, (Cape Verde), Rio, Bahia, Pernambuco, Santos, São Paulo, Montevideo, Buenos Aires, La Plata, Rozario & Lus P. lus.

u-bl-ca x x

Hamburg-Südamerikanische Dampfschiffahrts-Gesellschaft

The splendid German Steamer

SANTOS

Captain Häveker

Expected from Santos on the 13th July 1905 will leave on 14th July for:

Bahia, Lisbon, Oporto (Leixões), Hamburg and Copenhagen

at 2 p.m.

The steamers receive cargo for Lisbon direct and also for Leixões.

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.

For freight apply to the Broker.

Wm. R. Mc Niven

68, RUA 1ª DE MARÇO,

For passages and further information apply to the agents

E. Johnston & Co.

RUA CONSELHEIRO SARAIVA, 19.

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BRAZIL-ADRIATIC LINE

of

The Austrian Lloyd's Steam Navigation Company

and

The Royal Hungarian Sea Navigation Company "Adria" Limited

Three-weekly sailings from Santos and Rio de Janeiro for Trieste and Fiume and, with transhipment, to all Mediterranean, East Asiatic and East African Ports.

DEPARTURES FOR TRIESTE

URANO..... 20th July
 SZEGED..... 5th Aug.
 MORAVIA..... 25th "

For freight apply to the Broker

W m. R. Mc Niven,

68, RUA 1ª DE MARÇO.

For passages and further information to the

AGENTS

Rombauer & Co.

RUA GENERAL CAMARA, 24.

Rio de Janeiro.

RUA 11 DE JUNHO, 1A.

Santos.

ab-bl-ca x x

SOCIÉTÉ GÉNÉRALE

Transports Maritimes à vapeur de Marseilles

DEPARTURES OF STEAMERS FOR EUROPE

ORLEANAIS..... 27th July
 POITOU..... 1st August
 LES ANDES..... 8th "

for

Marseilles, Barcellona, Genoa, and Naples

Through fares to Paris 1st class..... f. gold 723
 do do 2nd f. 550
 do do 3rd f. 199
 Through fares to Paris return 1st class f. 1,149
 do do do 2nd ... f. 882
 do do do 3rd.... f. 334
 Marseilles Genoa, Naples, 3rd class.. f. 130
 Barcellona 3rd class..... f. 155

Agents — **Antunes dos Santos & C.**

Rio de Janeiro — 34 Rua 1ª de Março, 1º andar
 S. Paulo. — 29 Rua S. Bento
 Santos. — 1 Praça da Republica

c-lu-ca x x

NORDDDEUTSCHER LLOYD, BREMEN.

Capital.. 120,000,000 Marks

NEXT DEPARTURES

Date	Steamer	Destination
1905 July 14	Cesfeld.....	Bahia, Madeira, Lisbon, Leixões, Rotterdam, Antwerp and Bremen.
July 28	Aachen.....	Bahia, Pernambuco, Madeira, Lisbon, Leixões, Antwerp and Bremen.

Passengers & Cargo accepted

Passenger rates 1st-cl. 3rd-cl.
 Rio — Rotterdam, Antwerp, Bremen..... Marks 450 £. 10/-
 — Madeira, Lisbon, Leixões £ 18/- Rs. 160\$
 For further information apply to

HEHM, STOLTZ & C., Agents

Rua General Camara, N. 68 Rio de Janeiro
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H. A. L. (Hamburg-American Line)

(South American Service)

The new fine Imperial Mail Steamer

PRINZ SIGISMUND

6,000 tons

expected from Santos on the 10th August, sails on 11th at noon for:

Bahia, Madeira, Lisbon, Boulogne S/M, (Paris), Dover, (London), and Hamburg

These magnificent and fast steamers, built especially for the Brazilian trade and fitted with the latest improvements offer to first class passengers the highest comfort.

All steamers carry a surgeon and a stewardess
 Free conveyance on board supplied for passengers and luggage.

The Company issue 1st class tickets to Paris and London.
 For freight apply to the broker.

H. Campos,

No. 2, General Camara, 1st floor
 And for passages and other information to

Theodor Wille & C.

31 Rua da Alfandega. ab-bl-ca

R. M. S. P. The Royal Mail Steam Packet Company

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

TABLE OF DEPARTURES

Date	Steamer	Destination
July 17	Magdalena.	Montevideo and Buenos Aires.
July 19	Nile.....	Bahia, Pernambuco, Teneriffe, Lisbon, Vigo, Cherbourg and Southampton.

Special attention is drawn to the following:

Holders of first-class tickets, single or return, may break their voyage at any intermediate ports and proceed by any of the PACIFIC STEAM NAVIGATION or MESSAGERIES MARITIMES Comp's Steamers.

For freight, passages, and other information apply,

No. 73, 1º de Março, 1st floor.

KNIGHT, HARRISON & Co., Agents.

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REPORT

OF THE DIRECTORS TO THE SHAREHOLDERS OF THE

Mogyana Railway and Navigation Company

at the General Meeting of June 1905

GENTLEMEN:—

In conformity with our Statutes, the Directors now lay before you the chief occurrences of the past year, and present their report and accounts, as also the Fiscal Councils' report on same:—

GENERAL MEETINGS

During 1904 there were three General Meetings of Shareholders; the first, ordinary, on 26th June for presentation of the accounts for 1903; the second, special and extraordinary, on 28th November, for consideration of the report presented by the Commission appointed by the State Government and by the Paulista and Mogyana Directorates to study the general position of these Companies and lay down bases for their amalgamation, with a view to the purchase of the Sorocabana. The conclusions of the said report not having been supported by 2/3rds. of the votes, as is required, by Art. 46 of the Mogyana's statutes, the project was rejected; the third, ordinary, meeting on 30th December, was for the election of Directors for the 3 years, from January 1905 to December 1907, there having been elected the first four of the undersigned, and Sr. José Egydio de Queiroz Araúna, who declined office.

DIRECTORATE

On 2nd January of the current year, the four directors elected as President the first of the undersigned, who returns thanks for the distinction.

The shareholder, Dr. Pedro Vicente de Azevedo, was invited to fill the vacancy caused by the refusal of Sr. José Egydio, and has temporarily occupied the position. It fell to this meeting to definitely elect a director.

FISCAL COUNCIL

The Barão Geraldo de Re ende, having ceased to be a shareholder resigned his position in this council, the substitute, Commendador Francisco de Paulo Camargo, having replaced him.

It falls to this meeting to elect the members of the Fiscal Council and their substitute for the present year.

CAPITAL

The Directors decided to call up the unpaid share capital, to complete the amount mentioned in the Statutes. The majority of the shareholders have met the call, but some have not responded.

EXTERNAL DEBT

The external, and only, debt of the Company, was reduced to £277,500 by the amortization of 180 £100 debentures.

The coupons nos. 38 and 39 were paid at due dates. The Amortization and interest amounted to £33,082-1-4. Towards these payments the Federal Government contributed £29,025, and the company £4,057-1-4.

As the interest guarantee on the Rio Grande line and Caldas branch has expired, the whole service of the debt will now be for account of the Company.

INTEREST GUARANTEE

The Company received from the Federal Government, under the interest guarantee on the Rio Grande line and Caldas branch, Rs. 258,000\$ in gold, in London; and repaid the Federal Government 215,118\$28, surplus from the said lines in the first half of the year. The repayments that the company have to make in future will only be half of the excess in revenue over 8% on the fixed capital which is 4,300,000\$ gold and 1,853,578\$33 currency.

The guaranteed interest on the Catalão line, amounting to 509,400\$, was received in Rio de Janeiro.

TRAFFIC

This service was performed by 36,199 trains, with mileage run of 3,235,132 kilometres.

Passengers numbered 1,224,259, or 29,537 more than in 1903. Included in above, there were 26,818 free passages, including 5,302 immigrants; 3,340 more than in 1903.

Baggage and parcels came to 6,628,046 kilogrammes, or 553,980 less than in 1903.

The merchandise carried amounted to 502,490, 529 kilogrammes. There was a decrease compared with 1903 of 3,260,103 kilogrammes in the trunk line and branches, and an increase of 1,663,739 kilogrammes in the Rio Grande line, and of 816,906 in that of Catalão, the total decrease being reduced to 839,461 kilogrammes on the lines.

3,124,207 bags of coffee were delivered at Campinas, being 137,079 less than in 1903.

Owing to the falling off in coffee, and to the reduced tariffs, the receipts decreased by 794,714\$86, as compared with 1903. This has been in part compensated by severe economy in every branch of the service, by which the decrease in net results has been reduced to 3*1:356895\$.

REVENUE

The definite receipts from all the lines amounted to 15,823,293\$139 :—

Being: Trunk and branches.....	13,228,539\$337
Rio Grande and Caldas.....	1,938,463\$173
Catalão.....	656,290\$024
	15,823,293\$139

The decrease, as compared with 1903, was 704,714\$86G :—

Being: Trunk and branches.....	668,262\$844
Rio Grande and Caldas.....	69,097\$730
	737,360\$580
Catalão — increase.....	32,646\$894
	704,714\$86G

The revenue from the Minas section of the Guaxupé branch, under the company's administration, amounted to 48,685\$977.

EXPENDITURE

The expenses on the three lines amounted to 8,753,553\$638, thus distributed:—

Trunk and branches.....	6,407,055\$411
Rio Grande and Caldas.....	1,479,441\$407
Catalão.....	866,156\$820
	8,753,553\$638

As compared with 1903, there is a saving of 323,357\$728 :—

on Trunk and branches.....	194,382\$480
Rio Grande and Caldas.....	102,819\$972
Catalão.....	26,155\$276
	323,357\$728

The expenses on the Minas section of the Guaxupé branch amounted to 29,959\$541.

NETT REVENUE

The nett revenue amounted to 7,069,739\$501, as follows:—

Trunk and branches.....	6,820,583\$926
Rio Grande and Caldas.....	459,021\$771
	7,279,605\$697
Catalão — deficit.....	209,866\$196
	7,069,739\$501

There appears a decrease of 381,356\$958 in the result of the 3 lines, as compared with 1903, due to:—

Trunk and branches (decrease).....	473,880\$364
Rio Grande and Caldas (increase).....	32,722\$230
Catalão (reduction in the deficit).....	58,801\$170
	92,522\$406
	381,356\$958

The nett revenue from the Minas Section of the Guaxupé branch was 18,726\$436.

GENERAL REVENUE

The general revenue for 1904 amounted to 7,579,139\$501, including 509,400\$ received from the Federal Government of guaranteed interest on the Catalão line; and deducting 215,118\$28 repaid to Government and 75,540\$728 expenses with the external loan; resulting an available balance of 7,482,987\$253, which, after consultation with the Fiscal Council whose report is submitted for your approval, has been applied as follows:—

DISTRIBUTION

61st and 62nd dividends at 10%.....	6,862,362\$000
Dividend tax.....	150,215\$000
Reserve fund.....	200,000\$000
Carried forward.....	269,510\$253
	7,482,087\$253

RESERVE FUND

With the amount above mentioned and the balance from 1904, this fund is raised to 4,272,532\$581.

PROFITS IN SUSPENSE

With the present addition of 269,510\$253 the balance of this account is raised to 3,859,351\$435 to carry to next year.

TAXES

The taxes collected by the Company produced the nett amount of 1,033,757\$109 of which there belong:

to the Federal Treasury.....	375,262\$280
do State of S. Paulo.....	219,745\$760
do do of Minas.....	438,748\$069

1,033,757\$109

The Company received for this service 73,498\$871. The total amount collected was 1,107,255\$980.

PERMANENT WAY

The total extension of the lines in traffic has been raised to 1,324 kilometres, including the section of 15 kilometres, of the Minas portion of the Guaxupé branch, whose up keep is at the company's charge.

The revision of the route of the line has been continued, and it has been improved at some points.

The substitution of rails weighing 19 1/2 kilos per metre by those of 25 kilos was made in 47 kilometres, and is now concluded, as far as the entrance to the station of the Ribicirão Preto, except on the portions at the stations.

TELEGRAPHS

The lines were well kept up, and the service was satisfactory, with but few interruptions of short duration.

STORES

The movement in this department amounted to 5,466,882\$560. The Stock amounts to 1,475,647\$136.

LOCOMOTION

The work in this department proceeded with all regularity. The new work shops are almost concluded, and the new and important machinery in place.

In the impossibility of giving in resumé an idea of these new work-shops and of the work expedited therein, I call your special attention to the report of our esteemed Locomotion superintendent, where they are described with clearness and minuteness.

FEDERAL GOVERNMENT, GUARANTEE OF LOAN (PAPER) A/C:	
Amount of interest guaranteed.....	2,236:170\$985
FEDERAL GOVERNMENT, GUARANTEE OF LOAN (GOLD) A/C:	
Amount of interest guaranteed (Ex. 27d).....	2,322:000\$000
FEDERAL GOVERNMENT, GUARANTEE OF LOAN A/C (GOLD BONDS):	
Amount of interest guaranteed in Funding bonds (Ex. 27d).....	653:252\$892
FEDERAL GOVERNMENT, INTERNAL CAPITAL A/C:	
Amount of interest guaranteed, Rio Grande Line...	1,232:428\$093
FEDERAL GOVERNMENT GUARANTEE CATALÃO LINE A/C:	
Amount of interest guaranteed.....	6,331:391\$278
TAX ON DIVIDENDS TO PAY:	
For the two half-years of this year.....	150:215\$000
DIRECTOR'S GUARANTEE DEPOSIT:	
Value of 500 shares.....	100:000\$000
CONTRACTOR'S DEPOSIT:	
Balance.....	81:443\$529
WORKMEN'S WAGES TO PAY, AMOUNT UNCLAIMED..	
Balance of 51st-61st.....	120:844\$728
62nd of 2nd half-year to be paid	3,468:578\$000
	3,589:422\$728
GENERAL REVENUE:	
Balance of this a/c.....	5,576:782\$833
Réis.....	100,599:394\$704

E. & O. E.—Campinas, March 31st, 1905. — (Signed) Antonio Alvarez L. Pezardo, President. — Candido G. Gomide, Chief of Office. — João Couto, Accountant.

DISTRIBUTION OF REVENUE IN 1904

Debt		
Payment of 61st dividend.....	3,393:784\$000	
do of 62nd.....	3,468:578\$000	6,862:362\$000
do of tax on dividends.....		150:215\$000
Service of the Loan in London.....		75:540\$720
REIMBURSEMENT TO GOVERNMENT:		
Deposited at the Treasury, Balance of Rio Grande and Caldas branches branch, 1st half-year of 1904.....	21:511\$258	
APPLIED:		
To Reserve Fund.....	200:000\$000	
Carried forward to next half-year.....	3,589:351\$435	4,059:351\$435
		11,168:980\$683
Credit		
Balance brought forward from 1903.....	3,589:841\$182	
Net revenue from the three lines in 1904.....	7,069:739\$501	
Received from Government interest on Catalão Line, 2nd half of 1903.....	254:700\$000	
do 1st half of 1904.....	254:700\$000	509:400\$000
		11,168:980\$683

Campinas, March 31st, 1905 (signed). — Antonio Alvarez L. Pezardo, President. — Candido G. Gomide, Chief of Office.

RECEIPTS AND EXPENDITURE FOR THE YEAR 1904

Receipts		
Passengers.....	2,103:055\$860	
Parcels.....	419:504\$920	
Goods.....	12,762:065\$670	
Telegraphs.....	126:370\$360	
Warehouses.....	77:245\$618	
Collection of taxes.....	64:724\$574	
Transport of live stock by passenger trains.....	34:366\$170	
do do goods trains.....	101:226\$480	
Sundry revenue.....	138:154\$387	
		15,823:293\$139
Expenditure		
Administration.....	477:506\$466	
Secretary's Office.....	157:260\$600	
Traffic.....	1,523:720\$567	
Telegraphs.....	332:180\$646	
Traction.....	3,499:583\$941	
Lines and their dependencies.....	2,214:363\$939	
Salaries of Accountant's department.....	48:18:5590	
Dumont branch (subsidy).....	108:177\$890	
Maintenance & transhipment at Campinas Station.....	200:128\$120	
S. Clement Ry's (subsidy).....	22:370\$920	
Snipuechy Station (Rents).....	960\$000	
Incidental Expenses.....	166:025\$429	
General do.....	8,759:553\$638	
Balance in favour of Revenue.....	7,069:739\$501	
		15,823:293\$139

E. & O. E. Campinas, March 31st, 1905. — (Signed) Candido G. Gomide, Chief of Office. — João Couto, Accountant.

F. J. CARLSSON
FINE ENGLISH TAILORING
 FORMERLY OF POOL'S, LONDON
 ALL LANGUAGES SPOKEN — TERMS CASH
 42, RUA DO ROSARIO, 42

Market Reports

Pernambuco, June 28th, 1905.

Sugar. The past fortnight has been one of considerable rain and consequently entries have diminished somewhat, but even so the total to yesterday was 29,883 bags compared with 9,885 for same date last year, and as soon as weather permits a good deal of sugar may still be looked for as all the planters are holding some stock. Usinas being only kind actually stopped and as stocks of these are working off fast to Pará, prices are firm and show advance of 300 and 400 reis. All other qualities are however flat and considerably down, but even so there is no demand and the fate of holders here is not a pleasant one, as there seems little doubt that given a fairly fine July we shall see entries of new Brutos by middle of August, in fact the growing crop is so enormous, that if it is to be all taken off Planters must commence very early and from all accounts in north of this state and adjoining ones, the canes are already virtually full grown and only need a fortnight or 3 weeks of sun to ripen them. To-day's quotations are as under, but with exception of Usinas there is no enquiry at them:—

Usinas.....	5\$000 to 5\$400 per 15 kilos on shore, buyers
Crystal white.....	3\$500 " " "
" yellow.....	2\$000 " " "
Whites 3a. boa.....	3\$000 to 3\$200 " " "
" 3a. regular.....	2\$600 " " "
Somenos.....	2\$300 to 2\$400 " " "
Clayed.....	2\$000 " " "
Bruto secco.....	1\$800 to 1\$900 " " "
" melado.....	1\$400 " " "

Clearances during fortnight have been 1,917 bags to Rio, 5,195 Santos and 1,009 bags to Liverpool.

Cotton. Continued firm at 8\$000 until 21st, when a Rio shipper came in and paid 8\$300 for 1,000 bags, this at once caused a flurry in market as other shippers for Rio accompanied (forced by circumstances) no doubt of near approach of time for shipment of some old contracts the market, some further sales were made at same figure, probably 1,500 bags more and holders then began to ask 9\$000 and in some cases even more, but on 26th market closed flat and no longer buyers at 8\$500 caused in no small degree by fact of party who bought on 21st having resold some of what he held, and all yesterday he was trying to resell more, but best price offered is 8\$300 for strict Sertãos and probably very little even could be sold at it and Southern markets seem to have bought much more than they can digest as Rio is still asking to have contracts delayed, and Santos has also latterly been anxious to get quit of contracts even if had to put up with some loss in resale. Liverpool has been firm market during the fortnight, but they only seem to want cotton actually on the spot there, to-day's quotation is 5 1/2 spot there for strict Sertãos, but real position of market is shown by fact that for the ordinary run of first Pernam there is absolutely no sale at any price, and looks more like a squeeze there of the Bears over June deliveries.

Entries this month to 26th inst have been 8,478 bags compared with 4,173 bags same date last year, and the higher price obtainable past few days has had effect of causing country holders to stick to their stuff more than ever in hopes of forcing prices higher by holding back entries, to-day however many are repenting and at 8\$500 large lines of cotton could be bought.

Shipments during fortnight have been 2,976 bags to Rio 200 Bahia and 450 pressed bales Santos, to Oporto 300 bags and 200 bales, Liverpool 300 bales and Russia 500.

From 1st September 1904 to 31st May 1905 total shipments have been as follows:—

To Rio de Janeiro.....	74,164 bags
" Santos.....	33,795 "
" Bahia.....	4,229 "
" Rio Grande.....	3,523 "
" Liverpool.....	21,745 "
" Continent.....	17,309 "
" New York.....	80 "
" Taken by our Fabricas.....	24,000 "
Total.....	178,845 bags

and unsold stock in hand here in store is about 45,000 bags, whilst fully 120/150,000 bags of old crop cotton is held up country, and must now soon come upon market, as already new crop is appearing, and picking has commenced even in some of the low lands.

Maize. Rather more enquiry past few days at 85 and 90 reis for any decent stuff. In another month, given a little fine weather, new crop will be available for home consumption, never apparently has there been such a large crop planted, from most districts reports are most favourable and none of the planting has this year been lost.

Beans. There has been latterly too much rain for this cereal and some damage done and entries have been small and consequently prices firmer at 12\$ and 13\$ per bag.

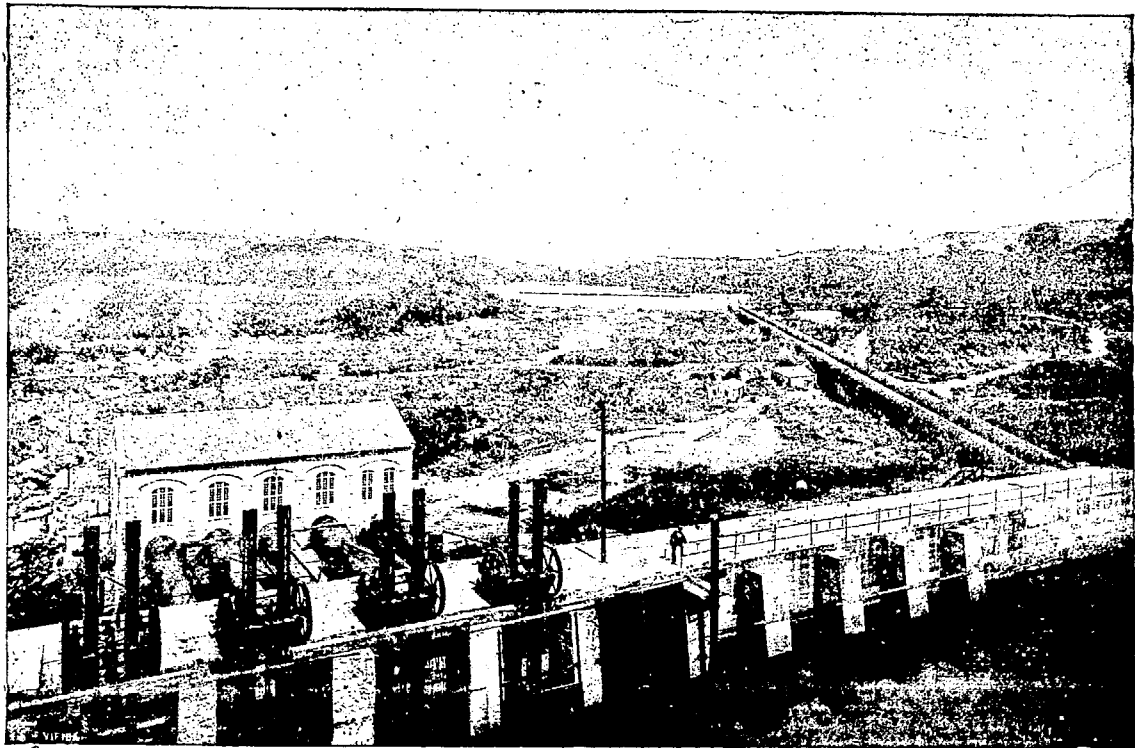
Farinha. This market has further given way and buyers now only offer 3\$300 and 3\$400 per bag of 42 kilos, the crop is an excellent one, but at the lower range of prices country people are in no hurry to realize and entries are decidedly smaller and were there any demand from the Northern States, we should see some reaction in prices.

Freights dull and unchanged and cargo very scarce.

Exchange very firm 16 5/16 and 16 3/8 bank and no money offered.

Pernambuco, June, 28th 1905.

In reply to yours of 15th re cotton exports its difficult to say what future may be, as regards past, reason was because Rio Mills or speculators there kept prices always above value in Liverpool, not a mere fraction but often 1\$ and 2\$ per arroba and never less than 500 to 600 reis and to 31st May total exports to Liverpool Leixoes and Russia only came to 39,000 bags. At present moment the unsold stock in town in store is over 40,000 bags and considerably over 100,000 bags of old crop are still held up country, how much longer they can hold on to it is a question, new crop is already appearing here, and in Northern States. Rio and Santos both seem to have over bought for future shipment and former ever since May have been getting sellers here to delay shipments and Santos is now enquiring what loss they would have to submit to, in order to cancel contracts. New crop will be as large, if indeed not larger than present one. Sugar is also enormous as well as Maize and both must be exported on a very large scale.



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The city of S. Paulo, which is the capital of the State of that name, has a population of about 300,000, of which about one-third is foreign. It lies in the valley of the Tieté River 2,500 feet above the level of the sea and enjoys a delightful climate, fresh and pleasant throughout the year. The difference of temperature compared with Santos, only 34 miles away as the crow flies, is almost incredible! The electric tram service is unexcelled anywhere and, thanks to it, visitors can in a few hours see all the

PLACES OF INTEREST

such as the Luz Gardens, Antartica Park, Ypiranga Museum, a monumental building erected on the spot where D. Pedro I. declared the independence of Brazil nearly 100 years ago, the Avenida Paulista, and the beautiful suburbs, all of which are served by the electric cars.

TO CAPITALISTS AND MANUFACTURERS

In search of investments, S. Paulo offers peculiar interest. Enjoying an unrivalled climate, it stands at the parting of the ways, from whence five great trunk lines radiate to the interior, serving a district as big as half of Europe. Altogether the State has 2,450 miles of railway, all except one line belonging to National companies and yielding handsome returns. The State is the greatest coffee producing country in the world. In point of productiveness no other part of Brazil or of the world can compare with it, yielding as it does more than half of the world's supply. With one of the best ports in South America, and its position at the centre of the railway system which must some day extend to Rio Grande in the South and through the State of Mato Grosso to the Bolivian Andes in the West, the future of São Paulo as the great distributing centre would be secure even if the enterprising and progressive character of its inhabitants had not made assurance doubly sure by bringing about the construction of one of the most modern large.

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To take a few instances, duties on Cotton textiles run from 100 to 200%. On Hessians and Jute manufactures, about 100%. On Woollen textiles from 100 to 200%. On Shoes from 80 to 120%, and on Furniture about 100%. There are already a number of Cotton, Woollen, and Jute Mills in full work, all of which are doing well. There is, however, plenty of room for newcomers. While at present the great bulk of the manufactured articles used in the country are imported, the policy of the Government is strongly towards the protection of National industries. Therefore, only brains and capital are wanted to make large fortunes, because the *sine qua non*, **CHEAP AND ABUNDANT ELECTRIC POWER**, is now provided by

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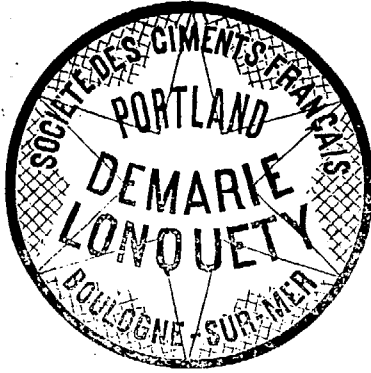
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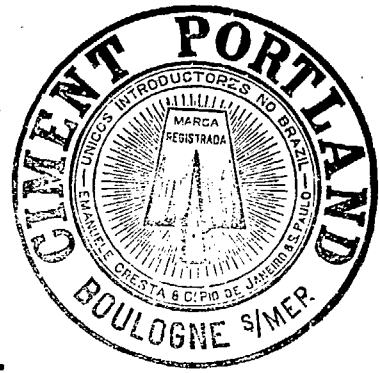
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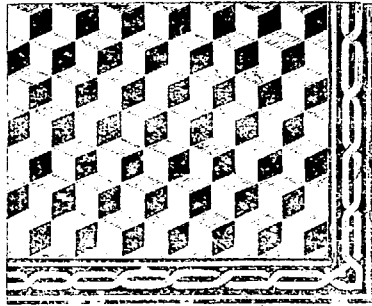
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The Brazilian Review

SUPPLEMENT

VOL. VIII

RIO DE JANEIRO, TUESDAY, JULY 11TH, 1905

No. 28

MESSAGE

OF THE

PRESIDENT OF THE STATE OF MINAS GERAES

H. E. Francisco Antonio de Salles

TO THE

Legislative Assembly, in its 3rd ordinary session of the 4th Legislature

GENTLEMEN OF THE LEGISLATIVE ASSEMBLY:—

In obedience to constitutional precept, it is again my duty to submit to you, in the present Message, a summary of the affairs of our State during the past year, thus aiding your efforts in furtherance of the public welfare, with details as to the administration and information as to the necessities of our social system which I observed during the recess.

I congratulate you respectfully on your auspicious reunion and I extend these congratulations to the State of Minas which expects much from your patriotism and wisdom in the discharge of your duties.

The present session is specially important, because there fall to be resolved in it some vital questions affecting our administrative existence, including the already initiated reform of the Constitution, based on imperative necessities of the State which demand urgent solution.

It is necessary to establish, with clearness and precision, the limit of the powers of the State as regards taxation, discriminating what taxes should belong to it from those appertaining to the municipalities, so as to remove all doubts in the financial administration and establish perfect order in the direction of our finances.

The derangement caused in our Budget by the Federal Law, which circumscribed the right of the States to impose consumption duties, still continues in spite of the measures decreed in the last extraordinary session of Congress reducing public expenditure.

This position of uncertainty demands a prompt solution which I am confident will be obtained by the adoption of the project of Constitutional reform submitted to your deliberations.

I have to inform you that the measures, decreed in the extraordinary session held last December, are in execution and have already resulted in an economy of over Rs. 1,400,000,000.

Relations with the Government of the Union

Our relations with the Government of the Union continue cordial, there being maintained, as is natural under the present regime, entire solidarity between the Federal and State administrations.

I have pleasure in referring to the high distinction conferred on the State of Minas by the eminent President in coming in person to inaugurate the extension of the Central Railway to the important city of Curvello. I share the satisfaction of the people of Minas in this inauguration which, besides its bearing on our economical progress, afforded the occasion for this visit which so greatly honoured us. The people of Minas shewed their just appreciation of this exceptional event, by rendering to the eminent Brazilian, Dr. Francisco de Paula Rodrigues Alves, the homage of profound respect and cordial esteem to which his remarkable civic virtues so justly entitle him.

Relations with other States and disputes as to boundaries

It has always been my aim to correspond cordially to the proofs of good will received in our negotiations with the other States of the Brazilian Federation, maintaining with all the most friendly relations, which certainly tends to facilitate the solution of the boundary disputes that have occurred with some of them.

In my message of last year I informed you briefly of the more important occurrences relative to this momentous question, so intimately affecting the order and tranquility of the populations interested, as well as the security and firmness in the exercise of law and justice on the part of each of the States. I must now inform you of what has since taken place.

As regards the State of Goyaz, the question remains in the position described in my note of 10th April of last year addressed to the President of that State, expressing to H. E. the conviction of the State of Minas of its incontestable right to all the

territory between the Serra dos Píloes and the left bank of the river São Marcos, said margin being the true boundary between the two States, in accordance with the "Auto" of 15th October 1800, authorized by the "provisão régia" of 25th April 1799, approved by the Governor of the "Capitania" of Minas and confirmed by the Government of the Metropolis.

As I have not received any reply to my note, which was supported by documents of incontestable juridical value, I presume that the illustrious President of that State has been convinced of the rights of Minas, so clearly demonstrated in the said note.

Still more positive and solemn are the terms of the solution proposed for an arrangement between the States of Espírito Santo and Minas as to its limits to the South and East, which awaits acceptance by the two Governments to be thereafter submitted to the ulterior formalities prescribed by the Constitution.

On 18th October last by agreement of both Governments, there were given the instructions to be followed, in the examination of the boundary question, by Drs. Bernardo Horta de Araujo, Federal Deputy, and Antonio Augusto de Lima, Director of the Minas Public Archives, appointed as representatives of Espírito Santo and respectively, to study and propose the solutions they considered most in accordance with justice and with the reciprocal interests of both States. In pursuance of these instructions, the said representatives have met in this Capital and have recorded the result of their examinations in a document dated 18th October last, which concluded with a proposal whose validity remained subject to a topographical verification in part of the disputed territory, for the identification of the present hamlet of "Príncipe," situated on the right bank of the stream José Pedro, with the place named Príncipe in the route traced in 1814 by Captain Ignacio Pereira Duarte Carneiro, when engaged in opening a road between Espírito Santo and Minas.

Of the result of this investigation, which, with approval of the Espírito Santo representative, was entrusted to an engineer of our State, as well as of the course and final solution of the question, I shall inform you in due time, and solicit the expression of your opinion. I have, however, entire confidence that, in view of the good faith and cordiality which have marked the negotiations, that the two States may shortly have the satisfaction of seeing an equitable settlement of their frontier question.

With the State of Rio, after the failure of the attempts to settle judicially the question of boundaries, the uncertainty as to these became much aggravated until, at the proposal of the Rio Government, I celebrated an agreement with their worthy representative, the eminent advocate Senator Carlos Augusto de Oliveira Figueiredo, on 19th November 1904, which provided that a commission composed of an engineer from each State should examine the line marked by Decree No 287 of 17th May 1843.

During their examination and until final agreement between the Governments, measures have been taken to guarantee the fiscal interests of both States. The report of their engineer is well advanced, the Public Archives of Minas having furnished our representative with documents which greatly elucidated the work of the commission. Two months having been allowed for the technical examination, work was begun on 20th January last, and the above term having proved insufficient, it was extended by other 40 days.

With the other States, matters remain in same position as was explained in my former Message, but the Minas engineer, who was accompanying by the discrimination by the S. Paulo State Government of its boundaries with Minas, has, temporarily, left this service to take part in the study of our boundaries with the State of Rio.

Municipal Council

From the Municipal Councils, elected on 1st November last and installed on 1st January, the Government has received the most solemn demonstrations of solidarity, proving the har-

mony of views existing between the constituted authorities of the State.

Thanks to the measures established by Law No 379 of 22d August last, facilitating the decision of electoral appeals by the Court of Appeal, and abolishing the suspensory effect of such appeals, the Municipal elections were held on 1st November in perfect order, the electorate voting with entire freedom and without any disturbances. The satisfactory manner in which these elections were realized is worthy of mention. In spite of the fact that the most vivid interest was shown in the result and that complete liberty was assured to voters, there were, generally speaking, no alterations of public order. No better proof could be afforded of the excellence of the law which reformed the electoral procedure.

If this Law constitutes a glory for the Legislature of the State, it also redounds to the credit of the population of Minas that they have praiseworthy and patriotically given it rigorous execution. In the sphere of its attributions the Government presided at these elections, through its legal delegates, with the most scrupulous impartiality and it is most gratifying to me to know that this is recognized by my fellow citizens.

It can be safely affirmed that the Municipal Council represent the opinion of the legitimate majority of the respective populations. As to some of the elections, appeals were carried to the Superior Court which has decided them with all expedition, precedence having been given, in the cases of duplicate Councils, with evident public advantage.

All the Municipal Councils are now established with perfect regularity.

A project for the auditing of the accounts of these corporations is now waiting your deliberations. It is a matter which calls for a solution that will remove the doubts and uncertainties at present existing in regard to them.

Prefectures at the Mineral Water Localities

Law No 5, additional to the State Constitution, having provided that the Municipalities or districts where there are mineral water enterprises should be administered by an elective council and a Prefect appointed by the government, the prefectural organization being modelled upon that of the Capital of the State, the organization of these prefectures was provided for by Decree Nos 373 and 396 of 17th September 1903 and 23rd December 1904.

Acting on these Decrees, the Government established the prescribed system of local government in Caxambú and Pogos de Caldas, giving preference to these municipalities because of the State's being proprietor of the mineral waters there existing and traded in. By Decree No 1,779 of 20th December last the provisional regulation of these prefectures was approved of. Dr. Américo de Macedo was nominated Prefect of Caxambú, and Dr. Juscelino Barbosa Prefect of Caldas. The various branches of the public administration of Pogos de Caldas have been definitely regulated by Decree No. 1,799 of 13th March last.

In the few months since the establishment of these two prefectures, the advantages of this organization are already visible. All the departments are working efficiently. The Prefects have dedicated themselves zealously to the public welfare, ably seconded by their Deliberative Councils which have contributed efficaciously to the progress of these localities.

In Pogos de Caldas there are 668 houses subject to the property tax. The revenue collected in the first half year already reaches 45,000\$, whereas the average annual revenue in recent years did not exceed 39,000\$000.

A debt of 10,000\$, consisting of accumulated interest on the Municipal Loan, has been liquidated, and 13 bonds of same loan have been paid off, with the product of debts collected, the interest on the loan having also been reduced to 5%. The financial position of the Municipality has, consequently, been put in order and its revenue will exceed 65,000\$, without altering the taxes.

The aspect of the town is already improved, the roads being clean. The old Cemetery has been removed from the centre of the town, three bridges have been repaired, two culverts have been constructed, and the *rua* Marquez de Paraná is being macadamized.

There will shortly be opened to public transit a fine avenue 64 metres wide and almost 2 kilometres long.

The purchase has been already settled of all the high lying district required to secure the water supply.

Various other great improvements are contemplated and will shortly be taken in hand, so as to completely transform this spa and make it attractive to visitors.

In Caxambú the Prefect's administration has been equally beneficial. On taking office on 2nd January, he at once organized the administrative departments, and important improvements are being carried out.

The roads have been repaired and the river Bengo, which skirts the town during 1,700 metres of its course, has been cleaned and disobstructed.

A plan of the whole area occupied by the town is to be made, on which the water supply and drainage works will be projected. The paving of the streets is urgently required and is being studied.

The lessees of the mineral waters have carried out some improvement, in the Park; reforming the drains, macadamizing the paths, and enlarging the bottling-for-export department where new machines will shortly be put up for this work, which has greatly increased owing to the propandanda.

In last season, January to March there were about visi-

fors to Caxambú, and the Company's medical returns show a percentage of cures from the use of the waters of 96.66%.

The beneficial effect of the use of these waters on the spot in various maladies has only to be known, here and abroad, to greatly increase the number of visitors.

I am convinced that the measures adopted as to the administration of the mineral springs were excellent, and I shall spare no effort in applying them at the springs of Lambary and Cambuquira.

Duly authorized by Law No. 374 of 19th September 1903, sole paragraph, Art. 18, the Government realised the disappropriation of the Mineral springs of Caxambú and Contendas, acquiring the privilege for exploitation conceded by contract of 12th February 1893, as also the Park with 11 sources, the bath-house, the bottling house and machinery, the Company's hotel and various other properties, the price paid being 630 Government bonds of 1,000\$ each.

By a contract signed on 22nd December last, the Caxambú springs were leased for 15 years to Sr. Octavio Guimarães, at an annual rent of 45,000\$ besides 2\$ per case of water exported, up to 2,000 per month, and 1\$ per case exceeding that quantity.

The Pogos de Caldas springs, which are run by the Baths Company under the lease of 30th March 1896, already belong to the State.

Prefecture of the Capital

Under the regime of a Prefecture the State Capital continues to prosper, thanks to vigorous private initiative and the action of the public authorities.

Notwithstanding the meagre resources, in view of the great works necessary to the complete installation of the city, the Prefecture has carried out notable improvements.

Amongst these may be specially mentioned the paving and opening of streets, construction and maintenance of bridges and culverts, gardens, and the up-keep of the arborization in the streets and squares. The tramway service has considerably improved, the lines have been extended and the number of electric cars increased.

In spite of the recognized insufficiency of electric energy for public and private illumination and for motive power for the tramways lighting has been extended to some private houses.

The water supply and drainage system were also developed. In order to regulate the supply of drinking water, the hydrometer is to be adopted.

The number of new buildings is encouraging, there having been constructed since last year 70 houses, of which 56 within the city and 14 in the suburbs, with 29 others in course of construction.

The new Post Office, which is being built for account of the Federal Government, is well advanced.

Since May last, the Prefecture has disposed of 149 lots for 23,500\$000.

More active commercial development depends on easier communication between the outlying districts and the Capital which must necessarily become the centre of the movement.

Industrial development depends on electric energy, which the Prefect is striving to secure.

Some factories, already established, are prospering.

The sanitary conditions of the Capital are excellent, there having been no epidemic of any kind.

Two cases of small pox, imported from the Federal Capital, were isolated and treated in the patients' residences, and contagion prevented by rigorous hygienic measures.

There were 318 deaths, 592 births and 113 marriages in the past year.

The census service is well advanced and its result will soon be known.

The financial situation of the Prefecture is rather precarious, and the Prefect is making every effort to put it right and to carry out the more urgent improvements.

Elections

To fill vacancies for 3 senators and 3 deputies in the State Congress, there were elected, on same day as the Municipal elections: Drs. Henrique Augusto de Oliveira Diniz, Nuno da Cunha Mello and Epaminondas Esteves Ottoni, Senators; and Deputies: Drs. Heitor de Souza, Colonel Frederico Schumann and Alonso Starling.

There is still a vacancy in the Senate, caused by the lamentable death of the regretted republican Dr. Agostinho Cezario de Figueiredo Cortes, and another will be caused in the Chamber of Deputies owing to Dr. Epaminondas accepting the position of Senator.

Through the regrettable death of Dr. Carlos Vaz de Mello there was a vacancy in the representation of the State in the Federal Senate. To fill it, Dr. João Pinheiro da Silva was elected almost unanimously on 19th February last, and has been recognized as Senator and taken his seat.

The Federal Law, No. 1,269 of 15th November last, reforming the electoral legislation of the Union, is being enforced with scrupulous rigour in our State.

The number of applicants for registration by the Federal qualifying Commissions has exceeded general expectation, and it is hoped that the electorate of the State will be considerable.

Although containing defects, easily curable by slight modifications, the electoral reform of the Union should be adopted for State elections, not in virtue of what is enacted in the first Article of law No. 1259 of 15th November 1904 which exceeds the powers of the Federal Government and infringes the auto-

mony of the States, but by express deliberation of State authorities themselves.

Although the State law No. 371 has produced most beneficial results, both as regards qualification of electors and perfect freedom as to voting, the unifying of the electoral procedure and of the electorate for all elections is of incalculable advantage. I call your enlightened attention to this subject.

The Magistrature

The magistrature continues to discharge its high functions in harmony with its glorious past.

The Supreme Court (Relação) has sat with the greatest regularity, thereby earning general approval for the promptitude of its decisions, as also by the justice which presided at them.

The great volume of legal business got through by the Court, testifying to the zeal of its members, is worthy of mention.

Including electoral appeals and those from Municipal Chambers, 13,862 cases were entered, of which 9,754 were decided by the criminal section, 435 by the civil section, 4 by these sections united, and 12 by the President. In all 10,205 cases were adjudicated.

The division of the Tribunal into two sections has yielded most beneficial results, confirming the prevision of the legislature.

Thanks to this and other supplementary measures, the enormous work of the two sections is up to date, in spite of the increase in the criminal section caused by electoral appeals which will shortly cease.

Such has been the promptness of the decisions that within two months all the appeals from the newly elected chambers have been decided; whereas those of the chambers of the previous triennium were still before the Court after their term of office had expired.

Judges (Desembargadores) João Bráulio Moinhos de Vilhena and Antonio Luiz Ferreira Tinoco were re-elected as President and vice-President of the Court. Dr. Arthur Ribeiro de Oliveira continues in the post of General Procurator, whose arduous duties he has brilliantly fulfilled with great profit to the cause of Justice.

In the Court of first Instance the Judges have performed their functions with regularity, carrying out scrupulously the law No. 371, of 17th September 1903, under great difficulties in some circumscriptions.

All the circumscriptions, (comarcas) with exception of Rio Pardo, are now provided with Sectional Judges (Juizes de Direito), and all the posts of Municipal Judges and Public prosecutors have been filled up.

20 circumscriptions (comarcas) have been converted into territories (termos) in accordance with law 375, of 19th September 1903.

This reform has produced excellent results.

So soon as the finances permit, it will be advisable to revive the post of Municipal judge, at least in the circumscriptions of greatest legal movement, where the work taxes all the activity of the Judge, who, consequently, ought to be remunerated and possess the necessary juridical training.

The creation of judge-substitutes is a temporary measure, due to financial reasons, and will in time cease.

Public Safety

There have been no disturbances to speak of during the past year.

The police, under their distinguished chief, have used every effort to prevent and repress crime.

There is comparative tranquillity throughout the State.

Notwithstanding, the government's desire to effectively fiscalize the prisons, as to their security, hygiene, diet and exact fulfilment of sentences, the impossibility of attending to all the repairs required on the different gaols has permitted the evasion of several criminals.

This can only be avoided by a centralized penitentiary system.

Our finances have not yet enabled the government to carry out your authorization for the construction of a penitentiary in this capital, one of the measures which I consider of primary necessity, not only on humanitarian but also on economic grounds as I already signified in a previous message. At present there are 793 criminals undergoing imprisonment, and 361 waiting trial; in all 1,155 in the different gaols.

The plan of a Penitentiary, in accordance with the prescriptions of the Penal Code and with modern plans, has been made, the cost being estimated at 1,400,000\$. It could be carried out gradually, according as the finances permitted, but it has not been possible so far to begin the building which I consider urgently needed.

The police force continues to perform valuable services, making up by discipline and devotion for its small numbers.

The Police brigade consists of 1,600 men and 83 officers, as fixed by Decree No. 1,792, of 10th February last, issued in execution of law No 395, of 23rd December last, which, inspired by the absolute necessity of reducing public expenditure, reduced the vote for this service from 2,469,000\$ to 2,042,170\$500. In obedience to this law, 9 officers were retired on half pay.

The same motives of economy prevented the organization of the civic guards created by law No. 380, of 27th August last, whose cost was to be borne by the vote for the public forces which, reduced as it has been, cannot meet the expense.

This state of matters, with a force so evidently insufficient to maintain the prestige of the authorities, and guarantee the safety of the inhabitants, is naturally, temporary.

The military organization of at least part of the public forces is an absolute necessity, so that the men may be disciplined and be instructed in the use of their weapons.

The organization of a civic guard, with a special vote for its maintenance, will afford an excellent local police service if due care be taken in the choice of its members. It appears reasonable that the municipalities should assist in improving the police service, which requires to be performed with greater regularity.

The duties of the police force are so arduous as to deserve the foundation of a benevolent fund, organized with the pay deducted from officers and men when in prison, on leave or in hospital, to help the families of soldiers who have lost their lives in the performance of their duty, and without great onus to the State.

It will be necessary to increase the police Brigade so soon as our finances permit.

I am glad to state that the sanitary position has been in general satisfactory, there having been no epidemic of importance to register.

Vista Alegre de Cataguazes, and in the municipality of Rio Novo, there were some cases of malarial fever, which were extinguished by the measures taken by the municipal chambers aided by the Government.

Smallpox appeared in some localities, owing to their frequent communication with the Federal Capital where it was very prevalent.

The Government did everything possible to avoid the spread of the malady, and distributed lymph largely earning general approval.

The epidemic broke out in the city of São José de Além Paralyba and in its district of Pirapetiga, in the district of Patrocínio do Murialde, in Leopoldina, Caxambu and Juiz de Fora. Although sanitary measures were the duty of the Municipalities, the Government could not avoid aiding some of them in extinguishing the epidemic, and had to act directly where municipalities declared themselves without the necessary funds.

In other localities there were sporadic cases of smallpox, which were soon checked by the prompt measures of the sanitary authorities.

The expenses connected with hygiene and public assistance amounted to 567,698\$425, it being necessary to open a supplementary credit for 167,798\$425 by decree No. 1801, of 27th March last.

Efforts have not been wanting to develop and improve the services in aid of the deranged.

Besides 59 patients in the National Asylum, admitted previous to the opening of the State Asylum, there are in the latter 160 patients undergoing treatment, 114 being men and 46 women. Since October 1903 248 patients entered, of which 46 were discharged as cured.

To accommodate that number it has been necessary to alter, in the old Sanatorium, a new pavilion intended for women, which has been recently concluded.

Other improvements are required, not only to render it a model establishment of its kind, but also to render it capable of accommodating the deranged existing in various parts of the State.

Any sacrifice would be justifiable in protection of these persons bereft of reason.

The expenses of this establishment, since its foundation until March last, reach 968,708\$461, the average expense for the 3 first months of the current year being 607,581\$32.

For the better distribution of the services, there was issued the Decree No. 1,776, of 29th December last, consolidating and modifying the previous regulations.

Primary Instruction

Primary Instruction which, owing to strong financial reasons, could not be sufficiently cared for, ought to be the object of our greatest solicitude.

No other service actually, calls for greater attention, because primary instruction is the basis of the progress of the State; and to disseminate it, and spread the benefits of instruction, one of the State's first duties.

I beg your enlightened attention to this subject, it appearing that the project now waiting discussion in the Chamber of deputies might, with some modifications so as to render its executions less costly, but more efficacious and profitable, satisfy our educational necessities.

I confirm fully the views expressed in my previous messages on the subject and have nothing to add for the present.

The state possesses 1,492 chairs of primary instruction, of which 509 in towns and 983 in the districts; 687 being for boys; 638 for girls and 167 for both sexes.

During 1904, 1,394 chairs were occupied, and 52,400 pupils matriculated.

The normal school courses were suspended by law No. 395 of 23rd December last, put in execution by the instructions approved by Decree No. 1,778, of 31st January, in virtue of which the respective teachers were retired on half pay. The reorganization of those normal school courses on new models is one of the most important subjects requiring attention, as on it depend the forming of professors and the future solution of the primary instruction problem. All our efforts with relation to education will be useless, unless they commence by the preparation of the teachers, and in this particular the State's action should be direct and exclusive.

There are at present three normal schools maintained, on same terms as the official, by the municipalities of Barbacena, Tres Pontas and Minas Novas, and 5 private colleges which

also enjoy the privileges of normal schools; these are: "Maria Auxilladora" at Ponte Nova; "Immaculada Conceição" at Barbacena; "Nossa Senhora do Carmo" at Varginha; that of "Providência" at Mariana, and that of "S. Domingos da Prata."

Secondary education

The State still maintains the two old official establishments for secondary instruction, the Boarding school (Internato do Gymnasio Mineiro) at Barbacena, and the Externato (day school) in this capital.

Their directors have used every effort to promote the ends for which they were established. The establishments recommend themselves by the competence and assiduity of the teachers, and by the good order and discipline observed.

In the "Externato," the number of pupils matriculated necessitated separate chairs for Portuguese, French, English, geography and algebra.

In the Internato, 135 pupils matriculated in the school year 1904-1905. The expense with this establishment was 99:436\$000, and the revenue 61:730\$000, the balance to be met by Government being only 37:700\$.

Higher education

The Faculty of Law (faculdade livre de direito), a private institution of established reputation, continues its regular course with great profit to the State. The subvention which it enjoyed is suspended, owing to there having been nothing voted in the Budget. There are 183 pupils.

The pharmaceutical school continues with regularity.

Its old Director, the well known botanist Dr. W. Schwack, died and was replaced by Dr. Jovelino Mineiro, professor of the same school.

The School of Minas, maintained by the Government, is a model institute which does good service.

It is most ably directed by Dr. Joaquim Candido da C. Sena, and possesses a thoroughly competent staff. The Director has constantly devoted himself to improvements such as reforming the buildings of the laboratories and mineralogical collections which have been enriched with new apparatus and innumerable samples of minerals.

Department of Agriculture, Transit Industry and Works

The General Directory of Agriculture, Transit, and Industry, as organized by Decree No 1,653, of 15th November 1903, continues to do good service. The results would be more apparent but for our inability to develop the section of Public works.

The Municipalities have been assisted by the State Engineers, who have planned and estimated various local and sanitary improvements in several cities.

In 1904 the railways in the State were increased by 86 kilometres 446. This increase was apportioned as follows: 53k984 in the Central railway, from Cordisburgo to Curvello, the works proceeding actively for further extension from the latter place, as also recommenced the construction of the West of Minas railway, from the station of Bugios to the city of Formosa, in the line from Barra Mansa to Catalão;

18 km 464, in the Leopoldina System—from Silveira Lobo to Travessão, conceded by law No 137, of 29th September 1905 and contracted 6th August 1902;

14 km in the Guaxupé branch, conceded by law No 294, of 22d August 1900 and contracted on 5th January 1901.

The total extension of all the lines in traffic is 3,731 kilometres 256. This does not include 26 km 544 of the João Gomes to Piranga line which was being administered by the State, and was judicially "deposited" on 28th October last, traffic having ceased.

In the 1904 fiscal year, the State paid in interest guaranteed and up keep of railways 796:572\$656.

The Bahia and Minas Railway continues its regular traffic since being leased, and now yields a return instead of causing expense to the State, and this without fresh burden on the people as the tariffs have not been raised.

Railways are one of the most important factors in the solution of our economic problems, approaching the producing centres to the consuming markets, accelerating the circulation of our products, and at the same time reducing cost of transport.

The Government has made constant effort to obtain reduced tariffs.

The Leopoldina made sensible reductions in its goods and passenger tariffs, in order to further exportation of our products.

I have had occasion to insist with the administration of the Central for reduced tariffs on some of our products, as also with the West of Minas railway whose tariffs are excessively high and will tend to check the progress of that important region if our just claims are not attended to.

I shall continue to use my effort in that direction.

Public Works

Owing to the reduced appropriations, in the Budget, it was necessary to use caution in authorizing the execution of Public Works. Besides the smallness of the appropriation, much remains to be paid for works authorized in previous fiscal periods.

It is, however, necessary not only to maintain and improve the highways but also to open others to serve important regions of the State.

The public works realized during the past year were not as important as they ought to be. Besides the 500:000\$ spent on them there were expended over 400:000\$ on account of works authorized in previous fiscal periods whose execution had been delayed.

The studies are being made of a cart road to serve the prosperous and rich Municipality of Manhuassu and Caratinga and the exploration continues of the road from the Station of Urucu on the Bahia and Minas Railway to S. Miguel da Jequitinhonha, whose object is to attract to the said railway the production of that rich region of the North of Minas. Many necessary works, urgently demanded by the public interest could, not be executed for want of resources.

During the fiscal year of 1904, the following urgent works were executed or completed: There were concluded the jails of São Manoel, Monte Santo and Caratinga; that of Oliveira was reconstructed; those of Prata and Dolores de Indaya were under repair and a building was acquired in Cambuzy to serve as jail and barracks.

There are being constructed the jails of Cataguazes, S. José de Aléim Paralyba, Theophilo Ottoni, Carangola, Santa Rita de Sapucahy, Ubá and Santa Rita de Cassia, the first named being almost ready. The following are under repairs: Ouro Preto, S. Sebastião do Paraizo, Leopoldina, Ouro Fino, Villa Nova de Lima, Araquary, Sete Lagôas, Dolores de Boa Esperança, S. Paulo de Muriaé, Ponte Nova, Piunby, Piranga, Muzambinho, Rio Branco, Patrocinio, Serro, Carmo do Fructal and Itapeceira. Many buildings have been repaired and are under repair such as: the court houses of S. Pedro de Uberabinha, of S. José de Aléim Paralyba, Ouro Preto, Pará, Baependy and of the Capital; the barracks of Ouro Preto, Uberaba, Barbacena and of the Capital and that Juiz de Fora was reconstructed.

Repairs were authorized in the edifices of the tax collectors of Itajubá, Cascaia and Antonio Carlos, and repairs were made on the estate of Barreiro, on the Lazareto of S. José de Aléim Paralyba, and on the Shooting Gallery of the Capital, on the Barbacena School, on the School of Pharmacy of Ouro Preto, on the Normal Schools of Ouro Preto, Sabará, S. João del Rey e Juiz de Fora, on the primary schools of Guananezia, Ouro Preto, Carmo da Paralyba, Leopoldina, Lavras, Couro Alto, Pegañha e S. João Evangelista de Pegañha.

The buildings of the former Sanatorium were adapted for the Insane Asylum of the State, there being spent in the works 38:756\$670.

Repairs were made on the Presidential Palace, in the edifices of the ministries occupied by the ministers of Finance, Interior and Agriculture, by the Police Department by the Chamber of Deputies and the Senate.

The following bridges were repaired: over the River Turvo at Santa Isabel; over the Rio das Velhas at Santa Luzia, over the streams of Cogo and Rocinha on the Northern Road; over the Rio das Velhas at Sabará; over the Rio Grande at Tumul; over the River Taupae at Raiz Municipality of Itobira; over the River Sapucahy at Santa Rita, over the River Camapan at José Pereira; over the stream Pedra Branca at Aléimas and over the River Aguas Verdes at Campos Gênes.

The following bridges have been repaired: over the Rio Jacaré, and Canua Verde, over the Rio Jaquary, at Santa Rita da Extrema; over the Rio Preto at Passa Verde; over the Rio Taquarussú at Ceté; over the Rio Prata at Tres Ilhas; over the Rio Paralyba at Porto Novo; over the Rio das Velhas at Sacramento; over the Rio Piranga at Xapeçó; over the Rio Piracicaba at Antonio Dias and Caxia; over the Rio Preto at Barrendi; over the Rio das Velhas at Desembogue; over the Rio Suassuby Grande at Pegañha; over the Rio Jaquary in the Municipality of same name; over the rivers Betim and Agude at Santa Quitéria, over the Rio das Mortes at Santa Rita, over the Rio Pomba, at Pomba; and over the Rio Carandahy at Prados.

The following are reconstructed or in reconstruction: over the Rio Granpáis that named Maria Antonio; over the Rio Jequitinhonha at Montanha; over the Rio Pará at Alberto Isaacson; over the Rio Piracicaba, denominated Saraiva; over the brook Matadouro at Sete Lagôas and over the brook Barrada Epua, at Paracatu.

The following have been constructed or are under construction:—over the brook Matta Boi at Araquary; over the Rio Zanado, at Minas Novas da Cachoeira, on the road from the Capital to Bomfim; and over the Rio Arraras at Barbacena.

The following roads have been repaired or are under repair from Ouro Preto to Bomfim; from Bello Horizonte to Bomfim (the part from Piedade to Aranha) several in the Municipality of São Gonçalo do Sapucahy; from Sant'Anna dos Ferros to Barra de Anita; from União to João Ayres; from Curvello to Diamantina (section from Riacho do Vento) from Itapeceira to Formiga; from the Capital to Venda Nova (section from Lagoinha to the Porteira de João de Mattos).

Public Lands

The measurement of lots continues with regularity and without omission to the State.

Of the seven districts into which the territory of Minas was divided, only in two has there been much land divided, the area being 131,655,720 square metres. Sale of land produced in the past year 45:010\$915.

Government encourages in every way the sale of lands to those who will cultivate them.

Except in the Municipality of Theophilo Ottoni, where they are traversed by the Bahia and Minas Railway, the public lands are far from consuming centres and from railways.

The public authorities of Minas are so anxious to obtain settlers and labourers to cultivate the soil that they will certainly welcome the measure proposed by the President of the Republic in his Message, viz for the State to cede to the Union the lands judged necessary for the establishment of colonies of foreign and native agricultural labourers. It is obvious that it is as much to the interest of the State as to that of the Union to obtain the peopling of the soil and the increase of production.

To permit the establishment of an agreement with the Federal Government as to this question, it is necessary that the Government of the State receive the authorization of the Legislature which I am certain will not be refused.

By this means it will be possible to reestablish immigration which has been paralysed since 1st January 1904, only 46 immigrants having come during the past year. The reestablishment of immigration is one of the crying wants of agriculture.

Colonies

The State continues to maintain 8 colonial nuclei, divided among 1,027 lots with an area of 77,164,224 square metres.

These nuclei are situated: in the municipalities of Barbacena, Rodrigo Silva; in Aguas Virtuosas, Nova Baden; Francisco Salles, in Pouso Alegre, and those of Afonso Penna, Bias Fortes, Carlos Prates, Adalberto Ferraz and Americo Werneck in the suburbs of this capital.

Their production in the past year reached 395,573\$, the value of the properties therein amounting to 783,086\$950.

So soon as the finances permit, I shall endeavour to carry out the legislative authorization, founding colonies in the centres of production alongside the railways.

The expenditure on this service during the past year was 28,245\$305.

I recognize this as being a branch of our administration worthy of the greatest attention, but it depends above all on having abundant means at its disposal.

Mining Industries

The extractive industry is at present experiencing difficulties owing to the rapid rise in exchange, which has caused a derangement in expenses that can only be righted with time.

One of the greatest obstacles to the development of this industry by foreign capital is the want of clear legislation on the matter, but this is outside of the State's attributes.

Various contracts have been entered into for the exploration of the river beds.

Besides the works initiated at Ribeirão do Carmo, there has just been mounted an excellent dredge on the Rio das Mortes, the first of these installed in suitable conditions for the work. On the result of this experiment, which has raised great expectations, will depend the spread of this system in Minas. The organization of the Company, which is working on the Rio das Mortes, under contract with the State, of 20th November 1902, is due to engineer Miguel Arrojado Ribeiro Lisboa.

The exploration for diamonds decreased greatly during the past year, as is shewn by the revenue derived from the lease of diamantiferous lands being only 19,301\$078 as against 39,378\$779 in 1903.

In order to verify and make public the mineral wealth of Minas, in the regions still unexplored, a mineralogist was sent to prospect the basins of the rivers Mucury and Jequitinhonha; and his report will be published.

Monazitic sands were found to exist, as also crystals, white topaz, turmalines, dark blue beryls, *aguas-marinhas*, *casiterita*, *oryzobiril*, in the Rio Preto, in the Ribeirão dos Americanos and in the Marambaia, affluents of the former; in the valleys of the Ribeirão dos Americanos and Rio Mucury the Monazite is richer in "thorium," and worth almost twice that of the Prado Sands.

The *município* of Arassuahy and neighbourhood are still rich in minerals, although some deposits have been worked out.—There is still abundance of *turmalinas*, *aguas-marinhas*, *beryllos*, *cyonophanas*, white topazes, amethysts, *andalucitas*, *diacroitilas* and *opatas nobres*, besides the great graphite deposits in the *fazenda* of Emparedado, already explored by Professors Goreeix and Costa Senn, who found it to contain 80% of pure carbon.

Cattle Fairs

The three cattle fairs continue their operations with regularity.

The movement during 1904 was as follows: 144,700 head of cattle were registered, of which 141,076 were sold, producing 13,746,436\$000.

This is a diminution of 12,000 head as compared with 1903, which can only be explained by the increase in direct exportation to São Paulo.

The Government was informed that fictitious sales are made at these fairs, the cattle being thereafter really sold at Santa Cruz, thus defeating the aim which was to avoid the business being done outside of the State in detriment of trade.

The Government examined into the matter and verified the existence of the abuse, which it will take measures to check, considering as stray cattle, for the effects of taxation, all those not really sold at these fairs.

Owing to the quintupling of the tax on all cattle passing the frontier posts on the way to Santa Cruz, the abuse, noticed up to last year, of the cattle being diverted from the fair at Tres Corações, has been put an end to.

The introduction of blood stock for the improvement of the

cows, as to their milking capacity, which the government ceded at cost to the breeders, has been well received, and more have been asked for, which the Government has already ordered for account of the breeders. This is an indirect assistance, which the State furnishes to the pastoral industry, of which the remunerative result is guaranteed.

The distribution of vaccine anti-carbunculoase is being regularly made, and so convinced have the breeders become of its efficacy that the quantity bought by the State falls short of the demand for it. It will be advisable to increase the vote for this service.

Commercial Junta

The Junta Commercial continues its functions with all regularity.

An election took place on 16th September to fill vacancies caused by expiry of the mandate of three deputies.

Official Press

The official press, notwithstanding the efforts to reduce expenses, still continues to exceed the amount consigned for it in the Budget.

Besides the journal and other official printing, it was burdened during the past year by the publication of works of great value, such as the *Revista Agricola*.

The revenue for 1904, amounted to 426,110\$230, including the price of all publications for the different departments, the expenses during same period being 336,727\$363.

By carrying out law 395, there resulted a saving of 16,680\$, and other internal economies were effected, of 16,020, the total reduction in expenses being 32,700\$000.

S. Luiz Exhibition

In spite of the short time allowed for the preparation of our exhibits, the results obtained were encouraging; our exhibitors having gained, besides two grand prizes, 166 medals of gold, silver and bronze as also honourable mentions.

Banco de Credito Real de Minas Geraes

This institution, the only one in our State which withstood the crises that overwhelmed the other Banks, is doing everything possible, in these times of retraction of capital, to assist the commercial, industrial and agricultural interests of the State.

Its reputation is established, its credit consolidated, and it only remains to extend its operations in order to render the greatest services to the economic development of the State. But in view of the general retraction of private capital, the expansion of its operations can only be the result of some combination in which the public credit will take part.

Minas requires a bank capable of satisfying its necessities as to credit and the subject calls for the attention of the legislature.

In virtue of its contract with the State, the bank made loans to amount of 1,276,942\$500 guaranteed by hypothec and *penhor agricola*.

Of these last, three have been liquidated, amounting to 135,000\$.

Amortization of the hypothecary loans goes on slowly. 25,000 hypothecary bills were issued, there being in circulation 21,343.

Both the interest and amortization services have been punctually attended to, and these titles are well quoted.

741 were already amortized. To facilitate the credit required by the agricultural and industrial interests is one of the crying needs of the planters.

Debt of the State

The funded internal debt is now 32,644,700\$, represented by:

26,996 bonds of 1,000\$.....	26,996,000\$
2,001 " " 500\$.....	1,000,500\$
23,241 " " 200\$.....	4,648,200\$

The increase since last year arises from 115,400\$, represented by 68 bonds of 1,000\$ and 237 of 200\$, issued to complete the substitution of the debentures of fr. 500, of the Bahia and Minas Coy, in accordance with the authorization in Art. 34 of law 393, of 19th September 1904; and also of 603,000\$ in 603 bonds of 1,000\$, issued under Decree 1,795, of 22nd February last, as authorized by law No 35, of 20th September 1902, art. 8, letter B, for the conversion of the loan to the Municipal Chamber of Carangola by the Ouro Preto Caixa Economica Particular, which the State guaranteed. The interest is 5%, and to meet it and the Amortization, the State collects the Carangola Municipal taxes.

The external debt consists of two loans of fr. 65,000,000 and 250,000, the former in 130,000 bonds of fr. 500 bearing 5% interest, and the latter of 555 £100 bonds bearing interest 6%.

The 7th amortization of the French loan was effected on 3rd December last, by the purchase on the Paris Bourse of 2,620 bonds. The amount amortized was fr. 1,311,000.

Coupons Nos 15 and 16, amounting to fr. 2,840,586.65 corresponding to 2,335,408\$600, were paid during the past year with the usual punctuality.

The necessary funds to meet Coupon No 17, due 15th July, have been remitted to the Banque de Paris et des Pays Bas.

The amount of the debt is now fr. 57,935,500 equal at 16d exchange to 34,000 *contos*.

The sterling loan of £50,000 is now reduced to £28,600, there having been paid off during the past year 85 bonds or £8,500.

Municipal Loans

I already referred in my previous message to the State having taken over the Municipal loans of S. José de Alfm Para-

lyba, by contract made on 9th of November 1903, which stipulates that the State will collect direct the taxes necessary for the interest and amortization of these loans. The responsibility of the State having been increased by the payment of overdue interest, it became necessary to make an additional contract dated 21st July last, declaring the debt to the State be 845,000. The annual payment to account, which by the original contract was 52,041\$197, is thus raised to 53,692\$921 from now on. The first payment of 52,041\$197, corresponding to 1904, was duly paid by the *Camara*.

An identical arrangement was come to with the Municipal Chamber of Carangola, on 13th August 1904, based on the authorization in art. 8, letter B, of law 356, of 20th September 1902, in virtue of which the State assumed responsibility for the debt to the *Caixa Economica* de Ouro Preto, reducing the interest to 5%, and substituting the Municipal Chamber's documents by State bonds.

On its side, the Chamber recognized its liability to the State, not only for 576,404\$999, but also for 217,595\$041 which the State had paid previously in interest and amortization, the total debt of the Chamber being now 794,000\$, which it engages to pay off by 35 annual payments of 48,124\$695 or in 70 instalments of 25,000\$ six-monthly in January and July. The payment is guaranteed by the taxes collected by the Government and reserved to that purpose.

The Municipal Chambers of Cataguazes, Ouro Preto and Monte Santo have not fulfilled their engagements as to interest and amortization of their debts.

The first named owes the State, for payments made to the *Caixa Economica* up to 1900, 105,859\$981, and the subsequent unpaid interest and amortization to 3rd December 1904 still owing said *Caixa* amounts to 52,718\$919.

The Municipal Chamber of Ouro Preto has not so far paid any interest on its debt to the *Caixa Economica* of that City.

The amount of overdue interest amounts to 462,636\$ 91 for which the State becomes responsible once the Chamber's means are exhausted.

The *Juiz de F6ra* Chamber has made great efforts and has duly carried out its engagements.

The Government is constantly endeavouring to relieve these embarrassments, not only for the State's advantage but for that of the Municipalities which are burdened by heavy interest.

Economic Situation

I have again the pleasure to announce the economical prosperity of the State, proved by the increase in production. In contrast to what I had to point out last year, the statistical data of our exportation attest that, with the increase of the amount of our production, there was proportional increase in its value.

With reference to Coffee there occurred the reverse of the phenomenon observed last year: the quantity exported was less, but the value larger, owing to the higher market prices due to the smaller production.

A rapid examination of our export trade during last two years will illustrate what I have just stated. Beginning with Coffee, the export in 1903 reached 187,278,404 kilos of the value of 77,692,290\$444 and in 1904 was reduced to 129,591,890 kilos of the value of Rs. 77,756,934\$000 so that though the quantity was less, the value was greater.

The increase in other articles of exportation is still more remarkable.

Thus the statistics show that export of cattle which in 1903, was 233,129 rose in 1904 to 241,718 head, with the respective values of 23,312,090\$ and 25,890\$672. Tobacco, of which the export in 1903 was 2,782,120 kilos rose in 1904 to 3,443,392, the respective values being 3,595,597\$ and 4,208,599\$222; cheese, from 3,959,564 kilos in 1903 raised its exportation in 1904 to 4,521,296 kilos. The exportation of lard which in 1903 was 4,458,130 kilos reached, 5,189,893 kilos in 1904.

That of pigs rose from 43,800 in 1903 to 45,273 head in 1904. That of Maize from 22,922,320 to 27,268,315 kilos. Birds and fowls from 1,333,533 to 1,409,177. Butter from 542,712 rose to 849,261 kilos. Cotton fabrics from 799,155 rose to 874,583. Milk from 2,311,730 fell to 1,978,614 litres. Leather rose from 312,962 to 529,116. Mules from 1,730 to 2,812. Dried hides rose from 175,363 to 269,816. Horses from 1,510 to 2,172. Lime from 8,422,583 rose to 14,713,939. Potatoes from 1,485,740 reached 1,792,938. Beans from 1,059,010 rose to 2,434,441. Cast iron 1,042,700 rose to 1,161,800. The exportation of Gold which in 1903 was 3,943,980 passed in 1904 to 4,081,109. The total values of exports in 1903 and 1904 were respectively, 1429,833\$950 and 149,189,261\$837.

The result of last years' exportation is, therefore auspicious and reveals a continual expansion of production, which is capable of great development.

The various branches of the State Government have not shown themselves indifferent to production, but have, on the contrary, done everything to animate and stimulate that the circumstances of the moment permitted.

The reduction in the export duties which operate the producer and the reduction obtained in railway freights are the most direct means at the disposal of government for protecting agriculture and industry.

Touching the first, in spite of the slenderness of our budgetary resources, the Congress decreed reduction of various export taxes, such as from 4% to 2% on products of the sugar cane, on earthenware pipes, tiles, etc. and iron by Art 10 of Law 356 of 20th September 1902; on export of cotton fabrics, stockings and undershirts, jute fabrics and sacks, silk and woollen fabrics, colours and colours, furniture, leather, beer and iron manufactures; iron nails made in the State being freed from all duty; Law No. 362 of 10th September 1903 reduced

to 1% the export duty on pig-iron, on fowls, eggs and fruits; to 2% the export tax on onions, garlic, cacao, beer, earthenware, milk and sugar, its products, waxcandles, plants, oils, resin, butter exported by members of Syndicates; to 3% the export duties on cereals, potatoes and leather; to 3 1/2% those on meat, lard, cheese and rubber; and to 8 1/2% the export duty on Coffee and tobacco; to 1 1/2% the tax on prorogation of term of contracts with the State; and to 25\$ per kilometre the tax on railway concessions.

The above represents the most it was possible to do in favour of producers in view of our slender revenue. Besides carrying out these reductions the government does not neglect other means of encouraging production.

The action of the Government has made itself felt in obtaining reductions in the railway tariffs on articles of exportation, notably from the Leopoldina Railway Company, which will not fail to benefit production and commerce in its zones.

Not only the Leopoldina but also the Sapucahy were solicitous in furthering the Government's efforts, conceding gratuitous transport of seeds and young plants, fertilizers, animals for breeding and agricultural implements furnished by the Government to planters or imported by them direct.

From the Muzambinho, Central and West of Minas railways it has not been so far possible to obtain such beneficent measures, and, as to the last, its high freights are so onerous to the production of its zones that I shall not cease to work in favour of their reduction and I do not lose hope of succeeding.

Besides the reduction of export duties and of the railway freights, other necessary elements of efficient aid to the agricultural industries are the providing of credit for the planters and of sufficient labour by means of immigration and colonization; all our efforts ought to converge towards the creating and strengthening of agricultural credit, by means of an establishment which shall operate efficiently, but within the State, in such a way as to afford the planters the means of resistance in face of low offers for their products in consuming markets.

The problem of furnishing sufficient labour to the planters can only be solved definitely by means of colonization.

As a complement of these measures of protection to production, one must not forget agricultural instruction, either by means of well-directed model farms, or by means of travelling practical instructors or by teaching elementary notions as to agriculture in the Primary Schools.

The efficiency of such measures depends as much on the judgment with which they are instituted as on the persistency shown by the administration in carrying them out.

With the view of facilitating to agriculturalists the perfection of their products, the Government has distributed gratuitously seeds of cotton, rice, onions, tobacco etc., and has also given them agricultural implements, fertilizers and chemicals for the treatment of diseases of the vines.

It does not suffice, however, to foment production, stimulating individual action so as to increase the productive capacity; it is necessary also to secure the home markets for our products putting our producers on an equal footing with foreigners by means of a well combined Custom House Tariff.

The project presented by the laborious deputy of Minas, Dr. Jo6o Luiz Alves, satisfies perfectly the demands of national opinion, without prejudicing the revenues of the Federal Treasury, provided it suffers some modifications.

It is thus to be hoped that the project will triumph over the resistance of those who prefer the *status quo*, and be converted into law, which will prove an efficient aid to our production.

Financial Position

The data furnished by the final balance for the year 1903 shows exactly the revenue collected, which was 16,457,455\$508 or 820,590\$592 less than the estimate, which was 17,286,046\$.

There are included in these figures the balances of deposits, which if excluded from the receipts, present the following results:

Revenue estimated.....	16,986,946\$000
Revenue collected.....	16,194,926\$322
Difference, less.....	791,019\$678

The expenditure realized was 16,612,403\$747 which, compared with the estimated expenditure of 17,282,946\$ shows a balance of 640,543\$253 as the result of economies effected in the expenditure.

Comparing the expenditure effected with the revenue collected there results a deficit of 184,947\$230.

It must be noted that there are included in the amount of this expenditure payments made for services belonging to previous budgets, as that of 505,200\$ made to the Sapucahy and West de Minas Railways, corresponding to interest guarantee due in 1901, and which augmented the expenditure of 1903, without really belonging to that year. If that amount had not been included, the year 1903 would have shown a surplus of 320,252\$761.

Instead of that balance, the deficit was even greater, by reason of the necessity of transfers to the year 1903 amounting to 2,301,891\$360, which perturbed completely the finances of the first year of my Government and continues to weigh on subsequent years, until the revenue shall be sufficient to wipe off this deficit or it be annulled by an operation of credit.

The expenditure effected in virtue of special credits was; 30,000\$, for construction of the Church of S. Jos6; 5,168\$ for expenses of the representative of Minas at S. Paulo, with the Geographical Commission, engaged in examination of limits, 1,477\$420 for territorial statistics; 7,731\$100 for expenses with school examinations, which produce greater revenue; 9,850\$550

paid for interest on the debt of the Municipality of Monte Santo guaranteed by the State.

The financial year of 1904 appears, by the provisional balance, to be more favorable and would have shown entire equilibrium but for the deficit brought from previous years, which it has not been possible to eliminate and which continues to perturb the Budgets.

There will be observed in the last year I am now considering an auspicious fact, which has for long not been observed, viz the excess of the revenue collected over the estimates.

Thus by the Law no 374 of 10 September 1903 the revenue of the State was estimated at 16,819:180\$, and the amount collected reached 16,948:032\$590, an excess of 128:852\$590, showing on the one hand, cautious estimating, on the other, activity in collection of the revenues.

The greatest efforts were made towards the realization of economies in the expenditure and this is evidenced by the results. Comparing the estimated expenditure of 16,798:378\$041 with the actual expenditure of 15,833:182\$854 the difference is 965:286\$087 which is increased to 1,114:849\$653, if one compares the revenue mentioned above of 16,918:032\$590 with the expenditure mentioned of 15,833:182\$954.

Since 1900, the financial year of 1904, is the one which has been closed with the largest balance between the ordinary revenue collected and the realized expenditure.

It should be noted that for the normal expenditure of the State not a single Bond was emitted during the period; on the contrary debt was redeemed out of revenue, there having been paid for account of the loan "Morro Velho" 154:161\$984 and for the Carvalhaes indemnity 175:377\$198 in virtue of judicial sentence.

The revenue was augmented by the proceeds of a credit operation for special purposes not connected with ordinary expenditure and which consisted in the emission of 1460 bonds of 1:000\$, 1 of 500\$ and 100 of 200\$; of this emission 827 bonds of 1000\$ and 1 bond of 500\$ were destined to the conversion of the loan of the Municipality of S. José de Além Parahyba, 630 to the disappropriation of the Mineral Springs of Caxambu and 68:000\$ to conversion of debentures bonds of the Bahia and Minas Railway.

Besides this, there figures as extraordinary revenue the amount of 276,800, deducted from the payment of the interest guarantee to the Sapucahy Railway company on account of the loan for which this company is debtor.

The accounts relating to extraordinary expenditure show the same rigorous attention to economy. Thus, by virtue of the quite moderate authorizations of Congress, there were paid 200:000\$ to the church of S. José and 20:000\$ for funeral and mausoleum of the lamented Dr. Sylviano Brandão and 175:377\$198 to the heirs of Viscount Carvalhaes in execution of judicial sentence.

The financial situation of this year could be considered good but for its bearing the onus of the amount of 3,024:609\$304, belonging rightly to the year 1903, so that 1904, in its turn, has had to get help from the year 1905, but only to the much smaller amount of 1,307:000\$, which will, however, perturb the current financial year as a consequence of the deficit not having been liquidated opportunely.

Our situation would be very easy but for this cause of disequilibrium, aggravated by difficulties created by the Federal law as to inter-State Duties, which deprived our State of considerable revenues.

The figures as to the year 1904 are provisional and may be modified in the final liquidation, after all the expenses dependent on credits are entered and all the revenue, is collected. By the provisional balance sheet, it is seen that the excess in the revenue of 1904 which amounted to 16,948:032\$590 results from the excess of the collections over the estimates in almost all the divisions of the revenue.

The following are some of the details of the excess of revenue:

Exportation, estimated at.....	9,800:000\$000
gave.....	11,331:953\$000
Stamp Tax estimated at.....	510:000\$000
gave.....	636:680\$572
New and Old Duties estimated at.....	450:000\$000
gave.....	462:626\$498
Transmission property tax estimated at.....	700:000\$000
gave.....	703:966\$604
Transit Tax, estimated at.....	130:000\$000
gave.....	146:365\$726
Succession Duty, estimated at.....	500:000\$000
gave.....	932:147\$702
Salt Tax, estimated at.....	380:000\$000
gave.....	428:483\$660
Gold export Duty, estimated at.....	300:000\$000
gave.....	316:170\$184

Other sources of revenue did not reach the estimates and the deficiency thus caused contributed to make the general result less favourable.

Fortunately the Taxes that fell short of the estimate were only two, viz, the Land Tax, which, estimated at 1,000:000\$, produced only 827:224\$970, and the Consumption Duties, which, estimated at 2,100:000\$ produced only 1,811:174\$459.

I have great satisfaction in pointing out the significance of this result of the financial year of 1904, which represents the beginning of our financial reorganization achieved by the reduction of public expenditure and by the increase of revenue; the revenue having not only exceeded the estimates for the year, but even exceeded those of some years back, without increase of taxation.

From what I have stated, it is clear that the cause of this improvement is incontestably the increased activity in the economical development of the State.

In accordance with legal precepts, the collection of the taxes is effected by the Receiving Offices, Fiscal Stations, Collectorates and by the railways, under contract.

The receiving offices collected during the year 7,186:556\$030, principally that of the Federal Capital, which took 5,586:331\$019; the Collectorates took 3,723:421\$264 and the railways collected 4,640:315\$376.

It is reasonable to expect a more comfortable position in next financial year if we maintain the same determination to be sparing in decreasing expenditure, the same rigour in execution of the Budget and obtain the necessary substitution of the Consumption Duties by that of Professional and Industrial Licencies.

The Spirits Consumption Tax created by Art. 10 of Law no. 393 of 19th September 1904 was regulated by Decree no. 1766 of 20 December 1904, which established the process of scheduling according to declaration of the contributors which appeared the most convenient method.

The first schedules showed 11,422 contributors, who declared sale of 6,491,480 litres of Spirit, which would pay in duties 389:488\$800. The result is not known of six small municipalities, which will have no important effect on result.

The collection began in April and the term to pay without fine was extended. Not only the scheduling, but also the collection, of this Tax are being attended with many protests.

I must point out that very different is the state of matters regarding the Consumption Taxes created by Art. 138 of Law no. 395 of 23 December 1904. In execution of this disposition there was issued the Decree no. 1702 of 14 February of present year, giving instructions for collection of these Taxes.

So many are the difficulties in the way of collecting these taxes, owing to the many ways of evading payment and the inconveniences of fiscalisation, that their substitution is urgently necessary. Their place can be taken by the Licencing Tax, which is less severe, less irksome and more easy of collection.

Fiscalization of Taxes

The Government having obtained proof of the advantage of fiscalising the revenue by means of travelling inspectors, did not hesitate in asking for the necessary increase in expenditure. This increase you granted and in accordance the Government issued Decree no. 1781 of 5th January of current year regulating the service.

Within the limits traced in the Budgetary provision, the number of Fiscal officers was raised; in their distribution the State was divided into 19 circumscriptions.

In all districts subject to the influence of a zealous inspector, the result on the revenue is quickly shown.

The good results have been clearly evinced in the following Receiving offices: Itajubá, which in 1903 received 5:837\$312 and 12:029\$138 in 1904; São Bento de Sapucahy Mirim, where the collection since 1900, when the fiscalization commenced, has risen from 46:863\$884 in 1902 to 86:192\$854 in 1903 and 162:668\$267 in 1904, an excess of 115:477\$634; Jacutinga, whose collection passed from 69:553\$616 in 1903 to 137:278\$506 in 1904; Jaguaré which from 55:697\$050 up to 1902 passed to 98:241\$890 in 1903 and to 86:062\$452 in 1904; the total increase in these Receiving offices reaching 151:344\$827, from one year to the other.

In the Northern zone the receiving office of Fortaleza collected in 1904, 75:000\$ against 33:000\$ in 1903.

These figures furnish an entire justification of the increase in the amount allotted in the Budget for expenses of fiscalization. For such a vast district, I consider the appropriation still too small, it being desirable not only to augment the number of inspectors, but to raise their salaries. What has contributed towards the augment of the receipts is the more careful examination of the accounts of the Tax collectors by the Department of Finance; this service having been at last brought up to date. The work connected with these accounts has been so well organized that, as soon as the balances are presented, they are checked, and the exact position of each tax collector is verified monthly.

The staff of the Treasury Department deserves great credit for the efficient aid they have rendered the administration by the perfect organisation of this service, by which the fiscalization of the revenue is much facilitated and the accumulation of balances in the hands of collectors is avoided.

The Reports of the Secretaries of State furnish minute information as to the various branches of their departments, from which you will be able to judge of the importance of the work and of the admirable way it has been done by the worthy State functionaries, who deserve every credit for the manner in which they maintain the traditions of zeal and honesty that have always been enjoyed by the administration of our State.

In terminating this exposition of public affairs during the past year I fulfil a pleasing duty in expressing my gratitude to the worthy Secretaries of State, my dedicated coadjutors in the administration, for the solicitude and competence with which they are serving the public interest, and, by the efficiency of their cooperation, entitling themselves to the gratitude of the people of Minas.

Presidential Palace of the State of Minas, in Bello Horizonte, June the 13th 1905.

FRANCISCO ANTONIO DE SALLES.

President of the State.