

The Brazilian



Review

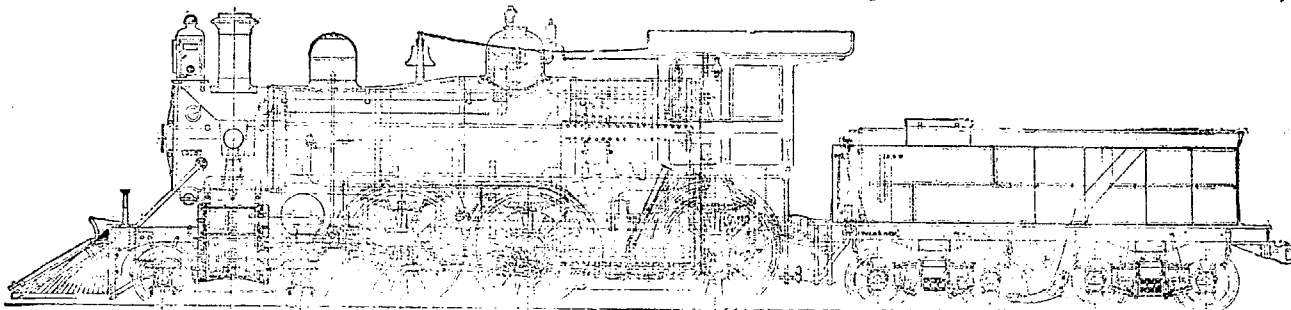
A WEEKLY RECORD OF TRADE AND FINANCE

VOL. VIII

RIO DE JANEIRO, TUESDAY, JULY 25TH, 1905

No. 30

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The Brazilian Review



VOL. VIII

RIO DE JANEIRO, TUESDAY, JULY 25TH, 1905

No. 30

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DATE	NAME	COMPANY	DESTINATION
FOR EUROPE			
July 26	Atlantique	Messageries Maritimes	Bordeaux and Ports
27	Oruba	P. S. N. C.	Liverpool (Direct)
August 2	Magdalena	Royal Mail	Southampton
8	Orapesa	P. S. N. C.	Liverpool and Ports
9	Chil	Messageries Maritimes	Bordeaux (Direct)
FOR THE RIVER PLATE AND PACIFIC			
July 25	Orissa	P. S. N. C.	B. A. and West Coast
30	Aragon	Royal Mail	B. A.
August 6	Amazon	Messageries Maritimes	B. A.
9	Orila	P. S. N. C.	B. A. and West Coast
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Notes

Burning Paper Money. Notes to the value of 1,000,000\$ (about £67,000) have been withdrawn from circulation and consigned to the flames in the furnaces of the Customs. This *auto-da-fé* is, we trust, but the earnest of a definite policy, without which exchange can never be kept steady at 16d. Another 1,000,000\$ will be burned shortly.

Brazilian Coal. Mr. White writes to the Minister of Agriculture that the experiments for manufacture of briquettes from Brazilian coal, in process at Berlin, are almost complete. Mr. White submitted the fossils taken from the coal to examination by Dr. David White, geologist of the National Museum at Washington and one of the greatest living paleontologists, who decided that the Brazilian coal measures belong to the Permian period, overlying the true Carboniferous, and are similar to those of India and South Africa.

The Estrada de Ferro N. E. of Brazil which has just been inaugurated was organised with the original object of constructing two lines railway, one from Uberaba in Minas to the Coxim and the other from Catalão to Palma, for which the Banco União de S. Paulo obtained a concession in 1890. Nothing, however, appears to have been done until the modification of the concession in 1904 altering the route to that now adopted from Bauri on the Sorocabana line to Cuyabá, the capital of Matto Grosso, following the Tietê valley to Itapira and crossing the Paraná between the falls of Urubu-

purunga and port Taboado and then along the *serra dos Bahus* to its termination at Cuyabá. The distance from Bauri to Itapira is 400 kilometres of which the first 100 kilometres has just been inaugurated, and the rest, it is believed, will be ready in a year. The capital seems to be formerly Belgian, the resident directors being Dr. Teixeira Soares, C. Lafone and the chief engineer Dr. Feliciano da Costa Ferreira.

This is, without question, a most important and promising undertaking. It is true that, at first, it will have to rely on the guarantee of the Union for dividends, but, as soon as the lands are opened out to the Paraná Paulistas will not be slow to settle there and in a few years this section, at least, will be paying like all the other S. Paulo railways.

Politics. The attempt the coerce the energetic Governor of Rio de Janeiro and to show him the error of his ways, in attempting to *fazer opposição sem dinheiro*, by cutting off credit at the Bank, has scarcely met with the success that so brilliant a conception deserved but shows very clearly the lengths to which some parties are inclined to go in support of their candidates. The debt in question which originally amounted to some 6,000,000\$ was a heritage of the Quintino administration that the present Governor had undertaken to pay off gradually. With the exercise of the greatest economy he had succeeded in accumulating 850,000\$000 with which he promptly paid off the outstanding obligations and thus regained his complete independence. This time it is the opposition that scores.

The next battle seems likely to be over Goyaz where there are two Governors and two Legislatures awaiting recognition. One, identified with the Minister of Finance, puts its trust in Princes (if Presidents may be called so) the other in the sacred right of the States to misgovern themselves as they please, without interference from the Federal powers as laid down in the sacred Constitution. The point is a knotty one and its decision will interest every Governor in the country.

— A proposal having been made to substitute Borges de Medeiros, actual Governor of Rio Grande, for Campos Salles as candidate for the Presidency, Pinheiro replied *aut Caesar aut nullus*. In fact, unless some consolation candidate is found, it looks like wigs on the green here or in Rio Grande, where the Federal Government is said to be plotting the overthrow of Pinheiro, Borges de Medeiros and Co. with the aid of the *Federalistas*, whilst Pinheiro on his side is credited with the intention of upsetting the Federal apple cart here with assistance of the discontented military and, perhaps, of Lauro Sodré.

— According to *O Paiz* the candidature of Ruy Barbosa is not so popular in Bahia as is believed and, indeed, is opposed by some of the leading politicians, including Severino Vieira, hence the schism.

— If a convention is held at all in September, it will be in no way conclusive, as the dissident States would certainly refuse to send representatives. In any case, such a Convention indicates nothing more than the wishes of the respective Governors, who are empowered to send two delegates each, irrespective of size, so that, so far as voting power is concerned, Bahia ranks with Piauhj and Minas with Santa Catharina.

— The President has cut the Gordian knot by submitting choice between the rival governors of Goyaz to the Chambers to decide according to their preferences or prejudices whether Lima, or Lemos, is or is not to be the governor of that distant Province. Meanwhile the governor of São Paulo has given a lead by officially acknowledging the notification of Lima and carefully ignoring that of Lemos, the representative of Bullhões. The governor of São Paulo, however, has a bone of his own to pick with the Minister of Finance over the sale of the Sorocabana, which he may take this opportunity to gratify, but may not necessarily be followed by his confrères. Anyhow, it is an indication how the wind blows that, we fear, argues little good for Lemos and his supporters.

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Is Reciprocity a Failure? From the *American Economist*. The suggestion of dissatisfaction on the part of Germany with her trade arrangements with the United States has caused a ripple in Treasury Department circles. The question asked is, What are we going to do about it? Are there to be more plans for attempted reciprocity negotiations and fawning around the Government of the Kaiser in the hope that some crumbs of advantage may be dropped to the producers and exporters of the United States in the markets of Germany? Or are we to take a decided stand in the interest of American trade, asking no favors and granting none?

It is well known that the policy of reciprocity is now in disfavor among the leaders of the Administration and in Congress. The poor showing made by this Government in the efforts of our High Commissioner Kasson, through whom the 20 per cent. reduction treaties with a number of foreign governments were contracted, to say nothing of the ill effects of the Cuban "reciprocity" scheme has caused a decided revulsion against any more of that kind of "reciprocity." The real fact of the matter is that the best informed and most sagacious statesmen in the country are coming to realize the soundness of the original Republican reciprocity idea which was the product of Blaine and McKinley—namely, reciprocity in noncompeting products, as the only safe and sane kind of reciprocity for the American people to enter upon, while reflecting upon that fact, and considering the situation that will be presented by the present attitude of Germany, it is well to consider some facts regarding a policy which finds favor with officials of the Treasury Department whose views upon financial and economic policies are pretty certain to have weight with Congress when the time for action comes.

Quoting almost the precise language of one of these officials, who naturally would not care to be regarded as pressing upon Congress his views as to the best means of solving international trade problems, these sentiments are adduced:

"It is within the power of Congress, without opening up the Tariff question and dealing exact justice to all nations in the world upon a basis of absolute equality, to settle such questions as that raised by the course of Germany, and do it by the passage of a law that will not occupy ten lines on the statute books of the United States. It would be a solution of the whole problem of 'reciprocity,' so called, and it would be a course certain to be commended by the chief patrons of the United States in the markets of the world. That short law would simply set out the doctrine that when any nation in the world gives to the products of the United States the treatment of 'the most favored nation,' or, in other words, where such foreign nation lets into its markets the products of the United States upon the ground floor of absolute equality with other nations, such nation shall be granted access for its products in the markets of the United States under the terms of our existing Tariff law, or upon precisely the same terms as are granted other nations. But if such foreign nation shall discriminate against the products of the United States, or exact higher rates upon our products, then the customs duties imposed upon the products of such offending nation in the markets of the United States shall be advanced 50 per cent. That would bring any nation at once to fair dealings with us."

By way of illustration, to show the soundness of this proposition, it is noted by the officials that while we sell to Germany about \$200,000,000 worth of products annually, that country sends to the markets of the United States annually about \$300,000,000 worth of products. On the other hand, Great Britain, who gives to the products of the United States "ground floor" chances in British markets, buys of the United States annually more than \$500,000,000 worth of products, and sells us only about \$150,000,000 worth each year. It is thus shown that while Germany is clamoring for better advantages in our markets she is selling to us one-half as much as we sell to her, and Great Britain, who buys nearly four times as much from us as we sell to her, is making no complaint. In the case of Great Britain she obtains admission to our markets under the terms of our customs laws and without special advantage except as is granted under the terms of reciprocity laws covering certain kinds of noncompeting products. The question naturally arises, What would be thought in Great Britain, were they are giving us by far the best of the bargain in the sum total of national exchanges, if we shall go on making special treaties, "reciprocal arrangements," whereby Germany, or France, or other countries shall receive even greater advantages in the markets of the United States? And in the case of France the sum total of our trade gives evidence of even less ground for favors to that nation. Through reciprocity treaties and the normal conditions, of trade France now sells to the United States practically the same aggregate amount in value of commodities that we sell to France. This must be regarded as rather remarkable, considering the fact of our extensive sales abroad of agricultural products and certain kinds of manufactured products, and even making allowance for French exportation of certain manufactures peculiar to her factories and her vines and silks, &c.

The point has been made in this connection that under certain provisions of the existing Tariff law of the United States power is vested in the President to visit retaliation upon any offending nation which shall discriminate against the trade of the United States. This fact is admitted by the Treasury officials, but they insist that in so important and delicate a matter such a provision of law places too great responsibility upon the President. Congress, they insist, should provide for such emergencies by a law which shall be self-executing, and which shall

be a fair and standing warning to any nation of what may be expected if a policy other than fairness be adopted toward the trade of the United States.

SUGAR

For a long time the critical situation of the Brazilian Sugar Industry, exposed as it is on the one hand to the loss of the British market, the most promising of all, and on the other to preferential treatment of the Cuban product by the United States of America, has engaged the attention of the Minister of Finance, who appointed a Commission to examine and report on the subject.

The main question to be decided was whether Brazil should or should not adhere to the Brussels Convention and, in the negative, what should be done to attenuate circumstances.

The matter was fully discussed at the Pernambuco Sugar Conference in April last, when, by a large majority, it was decided that acceptance of the conditions of the Permanent Committee sitting at Brussels was impossible, because our own market would thereby be inevitably exposed to competition with Sugars of other countries where the cost of production was very much lower than ours. The Conference then proceeded to pass a resolution recommending our Government to send an expert to advise and confer with the delegates of the Permanent Committee and explain the precise conditions of the Brazilian Sugar industry and commerce, and to demonstrate that fiscal conditions, as applied in Brazil, constituted neither direct nor indirect premiums on production or on exports. The fiscal system itself, affected as it is by legislation of every one of the 20 States of the Brazilian Union besides that of the Federal Government, is so complex that only an expert could hope to fully understand it and explain it in all its bearings; but even that sinks into insignificance before the complications offered by incessant variations of exchange. Some of the producing States tax inter-state shipment more and foreign less and *vice-versa*, all of which, with the prohibitive nature of the Federal duty on imported Sugars, may be made matters of argument by members of the Permanent Committee desirous of excluding Brazilian Sugars from competition with their own in the British markets. No one but a specialist could ever hope to hold his own on such eminently debatable ground. On this account we are surprised to learn that the Government of Dr. Rodrigues Alves has decided to put aside the recommendations of its own Commission and of the Sugar Conference of Pernambuco and entrust the negotiations entirely to the unaided perspicacity of the Brazilian Minister at Brussels, Dr. José Cordeiro do Rego Barros.

Few Ministers would, without serious preparation, willingly undertake such a task single handed. The Ministers of the great contracting States who are parties to the Convention of Brussels have all one, two, or more technical advisers to turn to, and if Brazil alone is to be an exception, able as her representative at Brussels doubtless is, we fear that disaster is inevitable.

Since we wrote some time ago the position has become much more critical. In response to the request that the date for acceptance of the conditions offered should be extended the Permanent Committee at Brussels, after some demur, and principally owing to the good offices of Great Britain, agreed to allow to October next, when, unless the Brazilian representative can prove to the satisfaction of the Committee that no premium or bounty, direct or indirect, on the production or exportation of Sugar is in operation in this country, Brazilian Sugars will be excluded *entirely* from the markets of the Conference countries.

Under such circumstances it would have been thought that no possible recourse would have been spared to save so important a National industry from the ruin by which it is menaced and, least of all, that mistaken considerations of etiquette or economy should have been permitted to stand in the way.

But, as things are, it is well that the Sugar trade and industry should know and prepare for what, we fear, is inevitable and exclude British markets from their calculations from 15th October forward. It is, of course, possible that our anticipations may not be verified. If so, so much the better. But forewarned is forearmed; so let the trade act accordingly.

The British market is the best of all for our Sugars because, now the surplus stock of Beet has been got rid of and there are no more bounty-fed Sugars to compete against, there is no other market as free and open to all comers as that of Great Britain. In the United States, which used to be our best customer, we have still to compete against rebates to Cuban, Philippine and Hawaiian Sugars; in Great Britain there are none. Consequently, there seemed every likelihood of Great Britain becoming our best market and taking the place of the United States of America.

Besides, in the latter, the tendencies towards further protection are indisputable. There is no organisation more powerful than the American Sugar Trust, which, backed by Louisiana Cane and Beet Sugar planters, almost irresistible, and but is lately went high to defeating the President himself in his Cuban reciprocity policy, which, indeed, required all Roosevelt's influence and authority to get through.

There is, we understand, some idea that the United States will give ear to our blandishments and admit our Sugars on equal terms with Cuban. But, even if reciprocity were not already half abandoned as a policy in the United States, we believe this to be entirely improbable and beyond the bounds of practical politics.

Indeed, the action of the United States' Government in asking for information as to the fiscal treatment of Sugar in this

country and the drawbacks or rebates it enjoys, points to the probability that the whole subject is to be investigated, and, if a loophole is found, that countervailing duties may be imposed by the United States on our Sugars, as they have been lately on Argentine and others. It is useless to say we give no premiums or bounties; Argentina said so too. American ideas of bounties may not be as ours; we must prove it.

With the British markets closed and only the American market to rely on, we should be at the mercy of the first combination of buyers in America that agreed to fix a maximum price for our Sugars.

The season will be a very good one and the surplus available for export will probably be at least 1,500,000 bags. No organisation of any kind exists for combined action for treatment of the surplus, nor will individual planters export simply to relieve the internal markets so long as better prices can be obtained at home. Consequently, within a few months, as latest, prices here for higher grades may be expected to fall nearly to a level with quotations for export kinds in the consuming markets abroad. The more circumscribed these markets, the lower those prices will be, and not only will exports suffer but also the whole mass of Sugar produced and offering in this country. If the British markets are closed, we shall only have American to turn to; and if they agree to put prices down, here they must ultimately follow.

That would mean ruin for Sugar, and, rather than be ruined in so stupid a manner, it would be preferable even to accept the conditions of the Conference, let foreign Sugars in and fight all comers in our own and every other market. If Sugar interests are to perish, let us, at least, die fighting.

EXPORTS OF SUGAR

FIRST 6 MONTHS 1902-1905

	DESTINATION			IN KILOGS Total
	United States	Great Britain	Sundry	
1902.....	80,817,806	25,953,745	598,320	107,369,871
1903.....	9,932,891	2,546,794	113,499	12,593,094
1904.....	360	2,272,410	314,807	2,587,577
1905.....	18,356,944	1,300,771	262,363	19,920,088

N. B. The figures for 1905 are subject to slight modification owing to delay in the delivery of manifests.

THE BUDGET

The Budget proposals for 1906 compare with the Estimates for 1905 as follows:—

	GOLD (contos)		PAPER (contos)	
	1906	1905	1906	1905
Imports of maintenance dues.....	46,000	34,250	132,800	132,870
Internal Revenue.....	460	1,491	67,300	70,819
Consumption dues.....	—	—	35,400	34,000
Gandy Revenue.....	614	514	7,000	6,826
Revenue allotted to special purposes including export duties of the Acre territory.....	13,570	12,430	15,868	18,788
Total.....	61,644	48,285	258,368	263,313

The increase of 11,750 contos gold in Import revenue is obtained by raising the percentage of the duties payable in gold from 25% to 30%, whilst the decrease of 150,000\$ in the paper revenue of the same service is the consequence of reduction of the percentage payable in paper from 75% to 70%.

Altogether, including the 13,576,000\$ gold for the Reserve fund and the Rio harbour works the total demanded from Imports is 59,570,000\$ and 139,020,000\$ paper as against 46,380,000\$ gold and 132,870,000\$ paper last year.

Reducing the gold moiety to paper at 16d the total Revenue of the Executive's proposal for 1906 amounts in paper to 362,618 contos as against 344,840 contos estimated for the current year (1905) an increase of 17,778 contos or 5.15%.

EXPENDITURE

	GOLD (contos)		PAPER (contos)	
	1906	1905	1906	1905
Justice and Interior.....	9	12	24,002	24,557
Foreign and Affairs.....	1,188	1,067	729	392
Navy.....	667	651	31,110	31,397
War.....	100	50	45,119	48,119
Public Works.....	3,924	4,963	75,476	75,472
Finance.....	28,406	28,821	78,384	77,644
	34,294	35,564	257,820	257,421
Paper Money Redemption and guarantee Funds.....	9,410	8,520	8,950	8,950
Amortization of Internal Debt.....	7	7	2,230	5,150
Amortization of Recissions.....	160	160	1,658	1,658
Do Port Works loans.....	4,000	4,000	3,000	3,000
	47,864	47,214	275,688	276,209

The only increase of importance in expenditure is in the special funds for redemption of paper money and the service of the Port works loan, which together demand 1,890,000 gold more than this year (1905).

Reduced to gold at 16d the expenditure for 1906 amounts to 354,461 contos as against 355,934 contos for 1905, and shows a slight decrease.



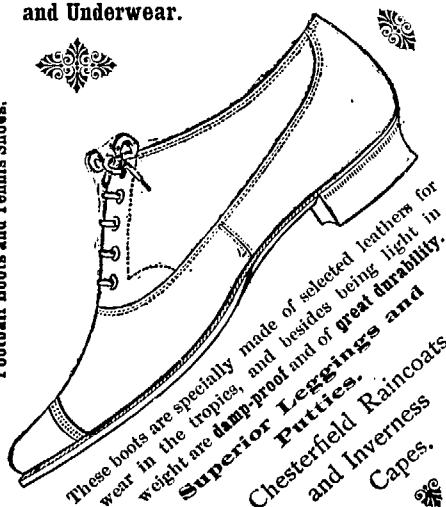
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Ornstein & Co. — São Pedro 65. Cable ad: Ornstein.**Druggists and Pharmacists**

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

Electrical goodsH. Smyth & Co. — English Electrical Supplies. Rua do Rosario 115.
Telephone de Ouro. — Rua Gonçalves Dias 4F. Electric supplies.**Grocers**

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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 Rigggenbach 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.

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" " 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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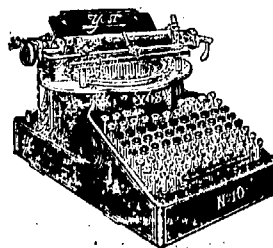
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IMPORTS OF FLOUR

1st 9 months of 1904

DESTINATION	ARGENTINA		UNITED STATES		AUSTRIA-HUNGARY		OTHER COUNTRIES		TOTAL	
	KILOS	C. I. F. MIL RÉIS PAPER	KILOS	C. I. F. MIL RÉIS PAPER	KILOS	C. I. F. MIL RÉIS PAPER	KILOS	C. I. F. MIL RÉIS PAPER	KILOS	C. I. F. MIL RÉIS PAPER
Mandós.....	—	—	2,278,549	740:090	8,750	2:684	451	215	2,882,750	742:982
Pará.....	368,015	82:372	6,893,382	1,945:181	—	—	44,008	10:758	6,898,000	2,038:338
Maranhão.....	—	—	956,590	305:816	45,062	15:764	5,687	1:916	1,008,339	323:496
Paraná.....	—	—	550	278	6,125	2:223	3,500	958	11,515	3:459
Fortaleza.....	—	—	2,206,248	695:895	8,750	2:618	3,000	1:059	2,217,998	699:872
Natal.....	—	—	182,000	31:040	—	—	—	—	182,000	31:040
Cabedelo.....	251,906	59:690	1,457,136	393:163	166,418	59:652	28,370	2:280	1,943,859	515:785
Recife.....	5,244,376	1,179:961	8,474,428	2,317:107	4,895,827	1,332:623	1,278,659	250:693	19,833,484	5,050:182
Maceió.....	—	—	2,000,421	549:288	1,076,250	314:422	4,370	1:057	8,081,041	864:767
Aracaju.....	—	—	—	—	61,248	16:815	13,114	3:598	74,362	20:353
Bahia.....	3,682,386	846:248	511,525	186:880	1,264,369	342:419	584,017	188:294	5,942,637	1,463:841
Victoria.....	—	—	187,800	36:143	8,750	2:690	—	—	146,550	38:835
Rio de Janeiro.....	16,147,063	3,249:051	8,339	1:270	215,617	61:629	1,085,167	197:177	17,401,176	3,500:067
Santos.....	15,917,599	3,616:890	51,259	13:150	77,075	22:504	2,474	758	16,049,017	3,553:232
Paranáguá and Antonina.....	4,142,568	883:705	—	—	—	—	184,044	37:141	4,276,612	920:646
S. Francisco, Itajubá, Joinville and Florianópolis.....	2,500,651	502:077	—	—	—	—	300,451	69:376	671:453	—
Rio Grande, Pelotas, Porto Alegre other Customs ports.....	15,897,173	3,235:889	135,686	38:200	—	—	1,056,846	195:840	17,089,705	3,469:729
Corumbá, Cuyabá and Porto Murinho.....	656,236	159:042	—	—	—	—	26,383	8:218	682,619	167:260
Total 1904.....	64,718,193	13,705:865	24,736:833	7,203:238	7,775,891	2,169:945	4,521,730	926:008	101,752,655	24,005:051
For same period in 1903.....	51,209,937	9,635:674	31,068,343	7,384:700	5,818,219	1,565:589	1,949,058	424:901	90,060,552	19,010:864
" " " " 1902.....	25,968,008	5,456:859	35,023,507	8,458:784	5,753,512	1,659:427	9,929,657	2,160:994	76,675,184	17,736:044

PLAN FOR PROMOTING AMERICAN COMMERCE

The Department of Commerce and Labour has completed preparations for sending five special agents abroad to investigate trade conditions, with the object of promoting the foreign commerce of the United States. The five agents selected are: Professor Lincoln Hutchinson, University of California; Charles M. Pepper, Harry R. Burrill, Raymond F. Crist and Dr. Edward Bedloe.

As the appropriation is only \$30,000, it was decided to limit the several fields of investigation in order that the best results may be obtained for presentation to Congress early in the approaching session. Messrs. Burrill and Crist will go to the Orient. Professor Hutchinson will go to South America, and has already entered upon his work. He will visit all the seaports on the Atlantic and Pacific coasts of that Continent. Mr. Pepper will go to Canada and subsequently to Mexico, extending his investigations to the Central American countries. Dr. Bedloe will be sent to the West Indies, Venezuela, British, Dutch and French Guiana.

It is expected that the investigation will be completed in the field by the close of the present year and that all the agents will have their final reports ready for Congress in January.

Secretary Metcalf has prepared detailed instructions for the agents, which require them to make full investigation into American trade with the countries to be visited; what proportion of the entire trade is shared by the United States, and what methods may be adopted to increase its volume. While the instructions are comprehensive, including methods of handling, packing and transportation, the tastes of the people and relative popularity of textiles and other products, the agents are admonished that the entire scope of their duties is "to investigate trade conditions abroad with the object of promoting the foreign commerce of the United States."

The Secretary continues: "You must be governed by circumstances and conditions that will confront you. The department wants results, and relies upon your intelligence, patriotism and industry to secure them. The department's instructions, therefore, will be general in character and will be regarded as suggestive rather than imperative. Instructions must not interfere with the successful prosecution of your inquiries, and cannot be used as a refuge for failure." *New York Journal of Commerce.*

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General News

Local Items. The returns of the Director General of Public Health for the week ended 16th July are as follows:— Yellow fever 7; bubonic plague, 0; small-pox, 1; measles 2; scarlet fever, 0; diptheria, 2; whooping cough, 0; influenza, 9; typhoid fever, 0; dysentery, 1; beriberi, 0; leprosy, 0; erysipelas, 0; marsh fevers, 1; pulmonary diseases, 48; other contagious diseases, 5. Total 76. Violence, (including suicides) 11. Non-contagious diseases, 185. Total deaths from all causes, 272; equal to an annual death rate of 15.67 per 1,000 inhabitants. Mortality of contagious diseases to total number of deaths 27.94%. Under treatment in hospitals: yellow fever, 8; small-pox, 28; and bubonic plague, 1.

— When the devil was sick the devil a saint would be and when we get sick we go to the Stranger's Hospital, which, despite the absence of the indispensable matron Miss Jackson, manages to keep on its limited business the same, if not better, than usual. It is a pity that it should not be more utilized as a Sanatorium if there is not enough serious illness in the City to keep a hospital. Situated on the top of a hill overlooking the beautiful bay of Botafogo it is an ideal sort of a place for busy bachelors in want of a little rest and care. Oh! woman in our hours of ease etc!

It was only a cold this time with which we had struggled for heaven knows how many days and sleepless nights until our coughing became a nuisance to our neighbours and a shame and reproach to ourselves and our doctor. It is just this sort of grief that can't find in religion the slightest relief, in fact swear words are better, so when we felt our voice sinking into our shoes we did what we should have done long ago, and we recommend all similarly afflicted to do, consulted Dr. Bandeira, who sent us to bed with a prescription that worked miracles and we coughed no more. To all similarly afflicted we say: go thou and do likewise. N.B. There was only one of us. The "we" is editorial, used to conceal our identity.

— The new R. M. S. P. s. s. *Aragon* is expected here on the 1st of August with one of the Directors of the Company Mr. R. L. Forbes.

— Brazilian Consulates have been created at Dusseldorf and Frankfurt on the Main.

— At the auction of the surplus lots on the *beira-mar* avenue one was sold, 13m by 6m, for 45:300\$ there being no offers at all for the others.

— The greatest interest has been shown in the new *Conhano-Brasiliensis*. A special commission was sent by the Government of São Paulo to report on it and another by that of Bahia. In Europe especially manufacturers have shown such interest that the concessionaires will shortly despatch a representative to Europe.

— A contract has been entered into with the Mesto Asphalt Co. to asphalt the margin of the Mangue Canal and the roadway between the palls from the *praça 11 de Junho* to the Marinhos Bridge, to be finished in six months. The price stated in *O Paiz* is 25:500\$000 which we think must be a mistake.

Dannemann & Co.

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AWARDED THE GRAND PRIZE AT THE ST. LOUIS EXHIBITION

The Leading Cigar Manufacturers in Brazil

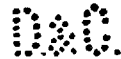
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ATTENTION:—

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— The Institute of Advocates has decided to erect a statue to the eminent Brazilian lawyer Teixeira de Freitas.

— A well deserved compliment was paid by the Associação Commercial to the Minister of Viação, Dr. Müller, in recognition of the active part he has taken in obtaining from the Central Railway the right of forwarding goods with payment on delivery. For some reason or another this simple contrivance had been a stumbling block that no efforts of Commerce could overcome, though it was practised successfully on other lines, and it was left to Dr. Lauro Müller to clear it from the way, most effectually, as he does with most things he undertakes e.g. the Central Avenue.

— Visconde de Barbacena completed his 103rd birthday on the 20th inst., and looks so hale and hearty that we see no reason why he should not go on to 130 and beat even Brazilian records.

— The Royal Mail Company evidently intends to do its best to care for its passengers and has made arrangements during the three months, September to November, for a special train from Paris to Cherbourg to meet their steamers leaving for Brazil in those months.

There is also talk of a weekly service to Brazil which seems too good to be true.

— Mr. Lincoln Hutchinson left for S. Paulo on the 21st inst. together with Mr. Wells, of the *New York Commercial* both of them, we believe, taking with them the most agreeable recollections of their short stay in Rio.

São Paulo. Dr. d'Orville Derby arrived at São Paulo on his return from Bahia on the 20th inst.

— 383 immigrants have shipped for Santos by the new R. M. s. s. *Aragón*.

Rio Grande do Sul. Latest accounts show that the epidemic of smallpox is increasing. The population, not unnaturally, is clamouring for reform in the hygienic conditions but the officials are still unresponsive.

Ceará. The daughter of the President of the State was married on the 25th ult.

Pará. Dr. Augusto Montenegro, Governor of the State, celebrated his birthday on the 26th ult. He received many well-deserved congratulations and, amongst other presents a bust of his mother. The whole of the City of Belém was *en fête* for the day and the rejoicings were of the most genuine character. Thousands of telegrams were received by H. E.

Amazonas. There seems to be in this State a certain feeling of uneasiness with regard to the future policy of Perú. The despatch of Peruvian troops to the Alto Juruá and the Alto Purús has not tended to calm the public mind.

The Acre. A *Folha do Norte* publishes most harrowing details with regard to the miseries experienced by the men deported to this territory, saying that many of them died from exposure to the sun stark naked whilst engaged in the forced labour of building barracks.

Bahia. Mr. James Mitchell of the Light and Power Company is now at Bahia where he has gone to examine the Santarem falls for utilisation of which for electric energy Dr. Elpidio de Mesquita is concessionaire.

Goyaz. The situation in this mediterranean State if dangerous is not uninteresting. The Governor, Dr. Xavier de Almeida, who was a nominee of Dr. Bulhões, ex-hoss of Goyaz and actual Minister of Finance of the Federal Government, revolted against his creator and started a party of his own, by means of which on the expiration of his own term of office he has "elected" a new Governor, who seems to have the support of part of the State Senate. The other side, who seem to have the support of the rest of the Senate and most of the Deputies, have also elected a Governor and both of them are now busy issuing decrees and getting ready for the struggle that is inevitable unless the Federal Government interferes. The President, however, seems to have his scruples, particularly as his right to intervene at all is hotly disputed by some, who at present are friends and adherents and might be alienated from Bernardino

if offended. In a similar situation Dr. Campos Salles four years ago did not hesitate, but plumped for his Minister of Finance, Dr. Murtinho, perhaps because he knew he would stand no nonsense from anybody, President or no President, and when he asked for anything always got it, including his resignation.

A. MENDES JUNIOR

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EXTRACT

FROM THE

Message of the President of Ceará

H. E.

DR. ANTONIO PINTO NOGUEIRA ACCIOLY

Delivered to the Legislative Assembly of that State on July 1st 1905

GENTLEMEN, MEMBERS OF THE LEGISLATURE:—

In accordance with Constitutional precept, I have the honour to lay before you an account of the affairs of the State, and to indicate the measures which, in my opinion, are required for its regular administration.

First of all I must fulfil the grateful duty of congratulating you and myself on the opening of this new session — an auspicious event which fills the population of Ceará with most legitimate satisfaction and confidence.

When, on 12th July last, I assumed the presidency of the State, after a struggle in which republicans proved by their exertions their political sincerity, which in democracies is embodied in liberty of conscience and purity of election, I considered myself bound, in view of the great responsibilities of the office to which I was for the second time called, to formulate the plan which my government should follow.

In obedience to my liberal convictions and the calls of duty, the primary obligation of those in power, I exposed succinctly, in the manifest addressed to the people of Ceará, the ideas in name of which I accepted such an arduous task, with the devotion which the public good inspires and the unshakable faith of those who serve the country without doubts as to its destinies.

I have always considered that the programme of the public men whom circumstances place at the front of political parties and whom the confidence of the masses raises to the heights of power, is naturally indicated by the opinion of the parties they represent.

At that juncture, however, of our political existence, the victory at the polls symbolised a mutual victory by the almost unanimity of the elements which contributed to it.

There could not, therefore, as was generally felt, be any hesitation in adopting the measures which, at the moment, were called for by the most pressing wants of the State.

Unfortunately, however, the initial phase of my administration began under auspices which could leave me no illusion as to the outcome of any attempt in that direction. The constitutional period which had just closed was besieged by economic and financial difficulties, which successive calamities aggravated still more, as was reflected in every department of the life of the State.

After every effort to reconcile the estimated expenditure with the impoverished sources of revenue, it was only in the last days of his quinquennium that my illustrious predecessor was able to resume punctuality in the Treasury's payments.

The surplus from the previous balance in July having been compromised by the accumulation of obligations which it was impossible to satisfy, and, on the other hand, not being able to count on the necessary funds for the liabilities of that month, I saw clearly the difficulties before me.

In these circumstances, I saw that it was impossible to carry out, at once, the promises contained in my inaugural Manifesto, unless I wished, by inopportune measures, to compromise our future.

I had, accordingly, to abandon the objects I aimed at and concentrate administrative activity on the severe task of restoring our finances, restricting public expenditure to the strictly necessary and exercising the most rigorous vigilance in the collection of the revenue.

It does not become me to say whether I attained the desired end. The facts, however, are there to challenge, with their expressive eloquence, the bad faith of those who have no other ideal than systematic defamation and irreverent calumny. They are there, I repeat, to attest that it was not in vain that, supported by the generous confidence of my fellow citizens, I sought to carry out such an arduous mission.

It is, therefore, filled with most legitimate satisfaction that on this solemn occasion I am able to announce to you that the State, to whose cause, as the friendly voice of conscience tells me, I have devoted the best of my energies, is in a frankly favourable situation and one which promises an era of peace, order and prosperity for the community of Ceará.

ECONOMIC SITUATION

The economic question in Ceará depends on another question: — that of the droughts which affect its production, and, according as they are partial or general, perturb or paralyse the development of the revenue.

Possessing merely precarious elements of defence the State does not feel itself sufficiently armed to resist the violent effects of the climatic crises which desolate it.

Hence the impossibility of determining the real extent of its resources and the degree, more or less approximately, of its productive capacity.

So long as the great problem of counteracting the effect of drought has not been solved, it will be impossible to stimulate and develop the prosperity of the State.

To that preponderating cause of our difficulties have to be added our anachronistic and rudimentary agricultural and industrial processes; not to speak of the deplorable absence of private initiative, of the absolute want of scientific methods and of practical and experimental instruction.

Certainly, the State cannot, within the narrow limits of its budget, undertake the vast and costly plan of the measures necessary to the normalizing of the conditions of labour.

However, it is its duty, by modest and continuous effort, to second the powerful assistance which the Union is giving, by initiating, itself, such improvements and works as are compatible with its resources.

I believe that such measures will commend themselves to your wisdom in preference to any others.

As a not less proficient factor, I suggest the giving of prizes as a stimulant to all who, in any way, cooperate for the transformation of our stock-raising and agricultural industries, and are endeavouring to perfect their products.

The revival of the Coffee industry, at present so disheartened, the trial of new branches of agricultural production, the extent to which tobacco is being grown and its culture and preparation by modern methods, are subjects that should not escape your watchful care.

CONSUMPTION TAX

The law No. 1185 of 11th June 1904, and the regulations issued by the Ministry of Finance on 23rd December last, aroused in an insignificant minority of the commercial body a hostile feeling to the consumption tax, which since 1903 forms part of our budget, to the general satisfaction, and constitutes the most important element of the revenue.

Notwithstanding my efforts to accommodate matters by the instructions that I issued on 2nd January, regulating the collection of this tax, three merchants of this city have deliberately opposed its execution.

Although the faculty of the State to tax articles of consumption is undoubtedly founded on constitutional precept, it will fall to this assembly, as a demonstration of respect for the federal judicial sovereignty, in the case of the actions now pending in the Supreme Tribunal being decided against the State, to look for an effective substitute for the said tax, since the State cannot dispense with it, the other sources of revenue being weak and uncertain.

THE TRIBUTARY RÉGIME

In these circumstances, the reform of the present system of taxation cannot be delayed.

To remodel it, following the example of the other States of the Union and in harmony with the most generally adopted economic principles, is a necessity which needs no demonstration.

Besides the problem of the substitution of the consumption tax, it must not be forgotten that the export duties should be gradually abolished, thus leading to the free circulation of the State's products beyond its frontiers.

FINANCE

The budget for 1904, from January until the date of my taking office, showed the revenue collected to be 1,506,363\$280 and the realised obligations to amount to 1,490,877\$907, leaving a surplus of 105,806\$273.

Taking into account, however, the liabilities of the Treasury according to statements furnished by the Secretary of Finance, the amount verified was 903,668\$700, of which 86,768\$700 were paid subsequently.

It must be noted that, in the *Recbedoria* of the State, the collections for July were made up to the 11th of that month, and in the general balance there had been computed the receipts relative to various fiscal stations for the previous 3 months.

With the receipts from 13th to 31st the government had to meet the requirements of July, estimated at a little over 200,000\$000.

Such was the financial situation which I encountered on beginning my first year of office, notwithstanding the efforts of my illustrious predecessor who had employed all the energies of the administration to combat the crisis produced by the irregularity of the seasons.

In this difficult emergency I became every day more convinced of the absolute necessity of reducing expenditure and developing the revenue by giving to the collecting departments the new organisation called for.

In that way I was able to close the year, having rigorously satisfied all the budget obligations, and, what is still more satisfactory, bringing forward an estimated surplus of 779,491\$778, in spite of having extinguished the floating debt.

The amounts still unpaid, belonging to previous years, and not claimed by those interested, reach only 3,900\$000.

The conditions of the revenue for the current fiscal year are not less promising.

The data for January to May, although still incomplete, shew, as the revenue collected, 1,273,717\$164 and as realised expenditure 990,749\$805, leaving consequently an estimated surplus of 282,967\$559.

The financial liabilities referring to that period were punctually met, including the expenditure on the lighting service, clothing of the State forces, up keep of buildings and other unavoidable expenses.

With such elements, I am already in a position to affirm that the revenue for 1905 will exceed the estimate, seeing that the present budget does not include the greater part of the tax on industries and professions in the interior, for which the balance sheets have not yet arrived and also noting that it is

usually in August to December that the export movement is carried on.

It should be clearly understood that the figures I have referred to belong to fiscal years not yet liquidated, and that, accordingly, not only as regards the present but the preceding year, the exact result will only be shown after the definitive balances are struck, a service, which after 29 years, is being established by the Secretary of Finance.

This is, meanwhile, the auspicious and reliable exposition of the state of the public coffers at yesterday's date.

GENERAL REVENUE AND EXPENDITURE

Receipts.....	2,074,738\$946
Expenditure.....	1,020,292\$129
Surplus.....	1,054,446\$817
Deposits and guarantees :—	
Receipts.....	71:057\$851
Expenditure.....	\$
Balance.....	71:057\$851
Sundry :—	
Receipts.....	14:500\$000
Expenditure.....	\$
Balance.....	14:500\$000
Recapitulation of the balances :—	
In Cash—in the General Cash.....	1,054:446\$817
" in the section of deposits.....	17:092\$272
	1,071:539\$089
Other securities in deposits.....	53:965\$579
In apolices—in the section of various deposits.....	\$
In bills—idem.....	14:500\$900
	1,140:004\$668

CONCLUSION

Such is, Gentlemen, the information I have to give you on the administration of the State.

Other details, more minute and complete, you will find in the reports presented by the Secretaries of State, which eloquently attest the solicitude, devotion and competence with which they serve the public cause.

Ceará, 1st July, 1905.

ANTONIO PINTO NOGUEIRA ACCIOLA.

Money Market

QUOTATIONS DURING WEEK CLOSING JULY 21st, 1905. WERE AS FOLLOWS—

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

July	Maximum and Minimum Bank Counter Drawing Rates		30 dls		90 dls		SIGHT	
	Bank		London		London		London	
	Rate	Rate	d.	reís	d.	reís	d.	reís
Sat. 15	16 1/4	16 3/4	16 47/64	571	16 47/64	571	708	571
Mon. 17	16 3/4	16 3/4	16 49/64	570	16 49/64	570	693	570
Tues. 18	16 3/4	16 3/4	16 29/32	569	16 29/32	569	698	569
Wed. 19	16 3/4	16 3/4	16 81/64	568	16 81/64	568	698	568
Thur. 20	16 13/16	16 13/16	16 47/64	566	16 47/64	566	698	566
Fri. 21	16 1/2	16 7/8	16 7/8	567	16 7/8	567	698	567
Average 1905	16 3/4	16 3/4	16 47/64	568	16 47/64	568	698	568
1904	16 3/4	16 3/4	16 47/64	568	16 47/64	568	698	568

Extremes at which business was done during the week ended July 21st, were 16 1/2—16 3/4 for 100% Bank paper and 16 13/16—16 3/4 d. for private.

The average Bank 100 dls counter drawing rate for the week closed out at 16 25/32d, the corresponding sight rate being 16 23/32d, against 16 11/16d, the average sight rate of the *Camara Sindical*.

The average depreciation for the week, calculated on the basis of the Banks' sight rate, is 28.07% and the premium on gold 61.50% against 39.06% and 61.10% last week. At these rates:

1 £.....	was worth	148775	against	148587	last week
1 shilling.....	"	8778	"	8729	"
1 penny.....	"	3000	"	3061	"
1 Franc.....	"	85.1	"	87.30	"
1 Mark.....	"	8.91	"	87.16	"
1 U. S. Dollar.....	"	389.7	"	389.05	"
1 200000 coin.....	"	22820	"	22820	"

THE BRAZILIAN REVIEW

Saturday, July 22nd, 1905.

On Monday the market opened well sustained with the banks drawing at 16 3/4d, and 16 25/32d, the latter rate at once becoming general, with business in private paper at 16 27/32d, although some banks would only take at 16 7/8d. There was always bank paper at 16 25/32d, with money at 16 13/16d. At the close the Republica and River Plate were drawing at 16 13/16d, the others at 16 25/32d, and sellers of private at 16 27/32d, with money at 16 7/8d. The movement was not great.

On Tuesday the market opened with the Republica drawing at 16 13/16d, for delivery after the 20th, and the other banks giving 16 25/32d, and buying ready bills at 16 27/32d, but later only at 16 7/8d. At the close the bank rates were unaltered, with sellers of private for future delivery at 16 7/8d, and money at this rate for ready bills. There was scarcely any business.

On Wednesday, the market opened with banks drawing at 16 25/32d, and 16 13/16d, later rate at once becoming general, with transactions in private at 16 7/8d for ready bills, and 16 29/32d, for future delivery, the Republica then giving at 16 27/32d, at which, later, all the banks drew.

The market closed with banks at 16 27/32d, sellers of private at 16 7/8d, and 16 29/32d, according to conditions, and banks only buying at 16 15/16d. The movement was small.

On Thursday the market opened with all the banks at 16 27/32d, and private bills offering at 16 7/8d, with few buyers at 16 29/32d.

Soon afterwards the Republica, accompanied by the other banks, drew at 16 7/8d, Santos bills being done at 16 15/16d, but for ready bills there was still money at 16 29/32d. The market closed with banks at 16 7/8d, other paper offering freely at 16 29/32d, and takers at 16 15/16d and 16 31/32d. There was a regular amount of business throughout the day.

On Friday the market opened with the River Plate at 16 7/8d, which it maintained all day.

The Republica also opened at 16 7/8d, but at once advanced to 16 29/32d. The first transactions were at 16 7/8d, bank against 16 15/16d, private.

After midday with freer offers of bills, banks drew at 16 29/32d, and private was done at 16 31/32d. After a slight back turn owing to demand appearing, the market closed with the banks at 16 7/8 and 16 29/32d, the latter rate doubtful, with money for private at 16 15/16d.

On Saturday the market opened with the Republica and River Plate drawing at 16 29/32d, and the others at 16 7/8d, with money for private at 16 13/16d, and few bills offered at 16 15/16d, at which they were negotiated.

In the afternoon a demand sprung up, and the foreign banks drew less frankly at 16 7/8d, but the Republica drew a fair amount at 16 29/32d, in which it was followed by the River Plate. Private bills were scarce and were easily passed at 16 15/16d, the market closing with the foreign banks at 16 7/8d, and the Republica at 16 29/32d.

Under the influence of speculative selling and a growing supply of produce bills exchange rose almost uninterruptedly until Saturday, when, with help of liquidation of the "bull" account, a decided set was made to push the rate, principally from Santos, that, but for the firmness of the Bank of the Republic, might have succeeded for the moment. As it was, the Bank filled up the speculators with bills to £300,000, which in a day or two they will most likely be disgorging and the Bank buying back at perhaps 17d.

From Pará and the Northern ports bills had been freely offered during the week but whether they represent repressed paper or drawing for the crop in advance we are not informed. At present there is little produce shipping, except coffee, nor will be till September or October. Coffee is going forward regularly, last week's shipments yielding £255,948, as against £252,620 the previous week and £229,800 last year.

Rubber shipments are about normal in quantity but the value is much higher than last year; at present, and for some time to come, Pará and Manaus will themselves absorb all the bills from current shipments.

We are, in fact, on the fringe of the produce season with immense values to be shipped and drawn for almost untouched. Very few of the coffee houses have sold or drawn ahead, and sterling coffee prices are improving as exchange goes up.

For the three weeks of the current crop, July 1st to 21st, the amount of coffee cleared from Rio and Santos exceeds last year by 12,806 bags and yielded £66,227, more.

It is impossible to say what the ultimate course of exchange may be, but, for the next five or six months, unless something unforeseen occurs of a political nature, we look for improving rates.

After that it will depend on the perseverance of Government in burning paper money, to perhaps a very considerable quantity, and on politics, always a most incalculable factor, and specially so on the eve of what promises to be a hotly contested election for the Presidency.

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Telegrams, "CRASHLEY"—RIO

BUSINESS DONE ON THE RIO STOCK EXCHANGE
During the week ended July 22nd, 1905

DESCRIPTION	Sales	Highest	Lowest	CLOSING		
				This week	Last	Date of last
GOVERNMENT SECURITIES						
Apolices Genes 5 1/2%	665	900	985	985	900	July 21
do fractions	12,538	980	975	985	980	" 21
Internal Loan 1895 5 1/2%						
Currency, bearer	407	955	970	950	955	" 21
Do order	23	990	985	985	992	" 21
Do 1897 bearer	135	1,010	1,005	1,005	1,008	" 21
Do do order	61	1,000	—	1,000	1,000	" 15
Do 1903	60	975	970	975	978	" 21
Inscriptions 3 1/2%	11	958	953	958	958	" 20
Do Fractions	18,700	954	950	958	958	" 21
Rio de Janeiro Municipal Loan, bearer	1,543	200	198	200	198	" 20
Do Gold (£ 20)	462	270	265	265	270	" 21
State of Rio de Janeiro 4 1/2%	2,791	60	65	65	65	" 21
Do do 5 1/2%	77	—	—	—	400	" 20
State of Minas, bearer	57	795	—	—	795	" 20
Do order	96	790	—	—	790	" 20
Do fractions	8,998	782	—	—	782	" 20
Petropolis Municipality	158	175	170	170	175	" 19
BANKS						
Republica	591	435	428	435	428	July 21
Commercial	442	1418	139	1408	1475	" 21
Comercio	469	180	175	175	181	" 21
Inclador	350	382	38	38	387	" 18
RAILWAYS & TRAMWAYS						
Jardim Botânico Tr'y	138	253	—	—	254	July 18
COTTON MILLS						
Corcovado	231	150	—	—	160	July 19
Confianca Industrial	50	200	—	—	200	" 21
Industrial Mineira	50	200	—	—	—	" 21
Manufact. Fluminense	100	160	—	—	—	" 21
INSURANCE						
Indemnizadora	50	47	—	—	485	July 17
União dos Proprietários	12	35	—	—	—	" 19
DEBENTURES						
Jardim Botânico	509	211	207	208	210	July 20
Carioca	189	200	—	—	198	" 18
Jornal do Commercio	65	191	188	191	197	" 19
Brazil Industrial	100	201	—	—	201	" 17
Carris Urbanos	468	200	—	—	207	" 20
Loterias Nacionais	50	200	—	—	198	" 21
MISCELLANEOUS						
Internacional das Docas	1,100	35	25	35	285	July 19
Terras e Colonização	1,850	35	45	45	587	" 21
Docas de Santos	110	320	—	—	320	" 19
Sa e Navegação	200	80	—	—	108	" 21
Loterias Nacionais	100	65	—	—	63	" 19

The total business done on the Rio de Janeiro Stock Exchange amounted to 2,774,068\$500 distributed as follows:—

Government securities	2,158,905\$500
Bank shares	171,428\$500
Railway & Tramway shares	34,914\$000
Cotton Mills	70,650\$000
Insurance	2,770\$000
Debentures	280,098\$500
Miscellaneous	55,300\$000
Total, week ending July 22nd, 1905	2,774,068\$500
" " " 15th, 1905	1,835,372\$850
" " " 22nd, 1904	2,283,443\$000

BUSINESS DONE ON THE S. PAULO STOCK EXCHANGE
During the week ended June 22nd, 1905

DESCRIPTION	SALES	HIGHEST	LOWEST
S. Paulo Municipality 7th loan	415	82\$000	81\$000
Ribeirão Preto (deb.)	30	90\$000	—
Jundiahy Municipality	140	70\$000	—
Campinas Municipality	65	71\$000	—
SHARES			
Companhia Paulista	829	238\$000	236\$000
" Mogiana	132	242\$000	240\$000
Banco Comercio e Industria	161	542\$000	—
Banco de S. Paulo	161	123\$000	127\$000
MORTGAGE BONDS			
Banco de Credito Real 6 1/2%	149	33\$000	32\$500
Do do 8 1/2%	627	44\$000	43\$000
Letras Banco União	101	36\$000	35\$000

The business done on the São Paulo Stock Exchange amounted to Rs. 389,888\$500 distributed as follows:

Government Securities	51,110\$000
Railway Shares	228,552\$000
Bank Shares	74,782\$000
Mortgage Bonds	35,444\$500
Total	389,888\$500

Coffee Market
COFFEE ENTRIES

Rio	FOR THE WEEK ENDED			FOR THE CROP TO	
	July 21 1905	July 11 1905	July 22 1904	July 21 1905	July 22 1904
	By Central R'y	31,951	31,620	21,869	88,515
" Leopoldina R'y	—	—	—	—	—
Inland	25,735	20,810	21,391	62,580	47,794
Constwise, discharged	1,959	2,381	792	5,501	5,375
Total	59,645	54,811	44,056	156,596	120,777
Transferred from Rio to Nietheroy	2,315	818	1,323	3,283	3,179
Net Entries at Rio	57,330	54,003	42,732	153,313	117,598
Constwise, in transit	—	2,000	—	2,000	3,000
Nietheroy from Rio & Leopoldina R'y	3,514	2,106	2,504	6,080	5,610
Total Rio including Nietheroy & transit	60,844	58,109	45,236	161,393	126,208
SANTOS:	179,643	129,511	225,195	445,947	510,357
Total Rio & Santos	240,517	179,620	270,561	607,340	636,565

The const arrivals for the week ended July 21st, were from:—

Macaé	1,308
Caravellas	597
Angra dos Reis	33
Paraty	21
Total	1,959 bags.

The total entries by the different S. Paulo Railways for the Crop to July 21st 1905 were as follows:—

	Past	Per Soroabana and others	Total at S. Paulo	Total at Santos	Remaining at S. Paulo
1905/1906	424,614	21,842	446,456	445,947	509
1904/1905	501,873	31,142	533,015	510,357	22,658

COFFEE LOADED (EMBARQUES)

	DURING WEEK ENDED			FOR THE CROP TO	
	1905 July 21	1905 July 14	1904 July 21	1905 July 21	1904 July 22
Rio	36,157	31,036	32,994	122,585	114,452
Nietheroy	2,266	—	1,087	5,053	6,622
In transit	—	2,400	—	2,000	3,000
Total Rio including Nietheroy & transit	38,423	33,436	34,081	129,638	124,074
Santos	89,552	90,306	93,590	254,064	254,010
Total Rio & Santos	127,975	123,742	127,671	383,702	378,084

Rio de Janeiro, July 22nd 1905.

Entries for the week ended 21st July at Rio and Santos show 61,467 bags more than the previous week's but 30,044 less than the corresponding week's last year, of which they represent 88.8%.

For the crop, entries to July 21st show 29,222 bags less than last year the shrinkage being confined entirely to Santos, as at Rio they show 28% more.

The weather has been cold but fine and there is no ostensible reason for delaying entries unless it be the hope of securing higher prices (that the negotiations of the S. Paulo Government hold out. Last year by holding out planters certainly did obtain better prices and, perhaps, they are repeating last year's tactics. In any case it is early yet to judge of the crop.

The quality of entries is improving and the bean promises in Rio to be an average one after all.

A first and rather early flowering is reported from S. Paulo (excepting Soroabana) and Rio and Minas. The effects of this somewhat premature flowering are variously interpreted being represented by some as highly prejudicial and by others as indicating a very vigorous state of the tree. We ourselves think it of little importance. What is much more significant is the continuation of the cold weather and possibility of sharp frosts in August.

Shipments (embarques) were 1,029 bags more than the previous week's and only 303 over the corresponding week's last year.

Sales were larger, 26,630 having been declared over the previous week's but still 77,810 under the corresponding week's last year.

Local prices gave way somewhat in consequence of the further rise of exchange, the average for Rio No 7 having fallen from 4\$718 to 4\$584 as against 5\$911 last year. At Santos the average, which is 600 or 700 réis lower than at Rio, remained unaltered at 3\$896 per 10 kilos.

New York prices improved somewhat and the average for the week rose from 8.00 cents to 8.10 per lb as against 7.25 last year and 5.13 in 1903.

Stocks at Rio and Santos increased again and on 21st inst showed 117,992 bags more than the previous Friday but were still 130,306 under the figures for the corresponding date last year.

	Commissarios Prices	Shippers Prices
July 17	7\$000	6\$800 to 6\$900
" 18	6\$900 to 6\$900	6\$800
" 19	6\$800	6\$600 to 6\$700
" 20	6\$700 to 6\$800	6\$600 to 6\$700
" 21	6\$800	6\$600 to 6\$700
" 22	6\$800 to 6\$900	6\$800

Santos, July 22nd, 1905

Various districts on the Mogyana and Paulista Lines reported a good July flowering. Everybody knows that we have every year a July flowering which, however, is of no influence for a crop, because it is premature. It is to be taken for granted that the July flowering does not effect the August to September flowerings, which continue with very promising prospects. The week's business was very uninteresting. The demand is for green coffees, specially Superiors, which are short sold to a fair extent. The covering of shorts will take some time yet and nobody will pretend to make large profits over such short sales. Some cheap sales to Europe were announced, amongst others one of 15,000 bags Superiors at 3 7/8 basis Hamburg i. e. at 16 7/8d 48200, or 2 to 2/6 below our market. New Superiors are worth 48500—Primes 150 to 200rs. more and goods the same, differences less. Low grades are neglected, Peaberries are much slack, and Superiors scarcely saleable at 58500 to 58350. Washed continue neglected, and also other specialities seem dull. New coffees continue in preference at a premium of 100 to 200rs.

Receipts show a slight increase. The interior receipts, however, continue moderate, being detained by rain and bad weather for drying. Shipments were very small for the season. The Santos stock amounts to-day to 1,008,561 bags, of which 600,000 can be calculated to be in "Commissarios" hands. The Santos stock is really too large for the season, a larger stock here must be attributed partly to the term business in New York 4, one of the bad effects, which the business promoted.

New York type 4 has been dealt at 48600 for August and 50rs. higher for further months. We only hope that the business will be reduced during the season as it will otherwise only help to make export business more difficult and increase local speculation without any advantage for anybody.

Exchange advanced steadily and closed at 16 15/16d. The *Pauta* remained unchanged at 450rs.

The Municipal Chamber of Juiz de Fora has petitioned the Chambers that measures may be taken to protect and aid the coffee planting industry which, in that once prosperous district, has become quite unprofitable and, in many cases, leaves heavy losses.

The returns of the Leopoldina Railway show that very little rain has fallen during the last week. The only places where more than 12 hours have been registered being Nietheroy, Paiz de Serra and Cachoeiras.

MANIFESTS OF COFFEE
During the Week ended July 21st, 1905
SANTOS

DATE	NAME OF VESSEL	DESTINATION	SHIPPERS	BAGS	TOTAL
July 15	<i>Caravellas</i>	Havre	Prado, Chaves & Co.	2,000	8,746
	do	do	Barboza & Co.	1,603	
	do	London	George W. Emmer.	5,000	
	do	do	Salles Toledo & Co.	143	
17	<i>Jupiter</i>	Buenos Aires.	Krische & Co.	889	892
	do	do	Shiani & Co.	8	
19	<i>Urano</i>	Trieste	Theodor Wille & Co.	9,750	20,182
	do	do	Zerrenner Bulow & Co.	2,061	
	do	do	N. Gepp & Co., Ltd.	2,000	
	do	do	Hard, Rand & Co.	1,996	
	do	do	Prado, Chaves & Co.	1,750	
	do	do	Baldwin & Co.	1,000	
	do	do	Nossack & Co.	250	
	do	Fiume	Theodor Wille & Co.	1,000	
	do	Venice	Nossack & Co.	250	
	do	Trieste opt Fit.	do	125	
	do	do	do	3	
19	<i>Bologna</i>	Genoa	Prado Chaves & Co.	1,250	2,768
	do	do	Drogens-Ferreira & Co.	875	
	do	do	Nossack & Co.	250	
	do	do	Zerrenner Bulow & Co.	250	
	do	Aivali	Hard, Rand & Co.	125	
	do	Naples	Sundry	13	
20	<i>Bahia</i>	Hamburg	Prado, Chaves & Co.	5,750	14,969
	do	do	Theodor Wille & Co.	3,104	
	do	do	W. Hotel & Co.	2,875	
	do	do	Prado, Lima & Co.	1,500	
	do	do	Schmidt & Trost	739	
	do	do	Zerrenner Bulow & Co.	500	
	do	do	N. Gepp & Co., Ltd.	500	
20	<i>Camoens</i>	New York	Prado, Chaves & Co.	8,000	20,231
	do	do	Hard, Rand & Co.	6,999	
	do	do	E. Johnston & Co.	2,500	
	do	do	Holworthy Ellis & Co.	1,600	
	do	do	W. F. McLaughlin & Co.	1,000	
	do	do	The Hills Bros Co.	792	
	do	do	do	197	
20	<i>Les Andes</i>	Montevideo	Schmidt & Trost	160	3,397
	do	Buenos Aires	Krische & Co.	1,271	
	do	do	Schmidt & Trost	1,000	
	do	do	Alberto A. Oliveira	400	
	do	do	R. Gomes & Co.	319	
	do	do	Alves Lima & Co.	50	
	do	do	Hard, Rand & Co.	197	
			Total		71,119

RIO DE JANEIRO

DATE	NAME OF VESSEL	DESTINATION	SHIPPERS	BAGS	TOTAL	
July 15	<i>Railuba</i>	Porto Alegre	Siqueira & Co.	428	1,712	
	do	do	Ornstein & Co.	500		
	do	do	Pinto & Co.	30		
	do	do	Castro Silva & Co.	250		
	do	do	Zenba, Ramos & Co.	200		
	do	Rio Grande	Siqueira & Co.	80		
	do	do	Zenba Ramos & Co.	70		
	do	Pelotas	do	100		
	do	do	Sundry	34		
15	<i>Las Palmas</i>	Salonica	Pinto & Co.	500		4,975
	do	do	Gustav Trinks & Co.	625		
	do	Smyrna	C. Dabelow	250		
	do	do	Ornstein & Co.	250		
	do	do	Carlo Pareto & Co.	1,000		
	do	do	Gustav Trinks & Co.	250		
	do	Palemo	C. Dabelow	125		
	do	do	Carlo Pareto & Co.	160		
	do	Gonos	Theodor Wille & Co.	500		
	do	Incholl	Rich. Riemer & Co.	125		
	do	Odezza	do	250		
	do	do	Ornstein & Co.	125		
	do	Constantinople	Rich. Riemer & Co.	125		
	do	do	Ornstein & Co.	125		
	do	do	Carlo Pareto & Co.	125		
	do	do	Gustav Trinks & Co.	250		
	do	Trebizond	do	125		
	do	Galatz	do	125		
16	<i>Amazonas</i>	Pará	Pinto & Co.	150	4,272	
	do	do	J. Dias & Irmão	130		
	do	do	Gustav Trinks & Co.	25		
	do	Pernambuco	Siqueira & Co.	772		
	do	do	J. Dias & Irmão	145		
	do	do	Gustav Trinks & Co.	100		
	do	Ceará	J. Dias & Irmão	50		
16	<i>Crefeld</i>	Rotterdam opt	Theodor Wille & Co.	500		540
	do	Antwerp	Sundry	100		
	do	Leixões	do	240		
16	<i>Mavoin</i>	Pernambuco	Pinto & Co.	25		1,700
	do	do	Ornstein & Co.	50		
	do	Mossoró	Zenba, Ramos & Co.	500		
	do	do	Castro Silva & Co.	600		
	do	Natal	Zenba, Ramos & Co.	350		
	do	Aracaty	Ornstein & Co.	100		
	do	do	Sundry	75		
18	<i>Magdalena</i>	Capetown	Norton, Megaw & Co.	350	2,099	
	do	do	J. W. B. Parehas	350		
	do	do	Eugen Urban	800		
	do	Buenos Aires	Ed. Ashworth & Co.	700		
	do	do	Ornstein & Co.	2,150		
	do	do	Siqueira & Co.	215		
	do	Montevideo	E. Johnston & Co.	82		
	do	do	John Moore & Co.	100		
	do	do	Pinto & Co.	150		
18	<i>Glentewan</i>	Buenos Aires	F gen Urban	2,099	103	
18	<i>Porto Alegre</i>	Corumbá	Jrnstein & Co.	28		
	do	do	Sundry	50		
	do	Rio Grande	E. Ashworth & Co.	25	1,055	
21	<i>Alagos</i>	Pará	J. Dias & Irmão	300		
	do	do	Ornstein & Co.	200		
	do	Maranhão	do	35		
	do	do	Pinto & Co.	50		
	do	do	Zenba, Ramos & Co.	120		
	do	do	Siqueira & Co.	90		
	do	Pernambuco	Pinto & Co.	25		
	do	Parahyba	do	50		
	do	Mandios	Zenba Ramos & Co.	45		
	do	do	Siqueira & Co.	120		
	do	do	J. Dias & Irmão	340		
	do	do	Sundry	50		
21	<i>Bahia</i>	Hamburg	Gustav Trinks & Co.	1,750	5,591	
	do	do	Ornstein & Co.	1,525		
	do	do	Theodor Wille & Co.	1,375		
	do	do	Rich. Riemer & Co.	500		
	do	do	Eugen Urban	250		
	do	do	C. Dabelow	100		
	do	do	Carlo Pareto & Co.	82		
21	<i>Camoens</i>	New York	Hard, Rand & Co.	6,400	8,400	
	do	do	Ornstein & Co.	1,000		
	do	do	Gustav Trinks & Co.	500		
	do	East London	Norton, Megaw & Co.	300		
	do	do	Pinto & Co.	100		
	do	Port Natal	Hard, Rand & Co.	100		
	do	do	do	100		
21	<i>Academy</i>	Pernambuco	Eugen Urban	123	273	
	do	do	Ornstein & Co.	150		
			Total		32,876	

Corrections. The s. s. *Oropesa* which sailed on July 13th took 389 bags of coffee for C. Dabelow, for Valparaiso, and not 292 as stated.

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Contracts undertaken for private or public paving in either:

SHEET ASPHALT OR ASPHALT BLOCKS

OFFICES: — RUA DO HOSPICIO, 13. — Rio de Janeiro.

The coffee sailed during the week ended July 21st, was consigned to the following destinations

	UNITED STATES	EUROPE & MEDITERRANEAN	COAST	RIVER PLATE	CAPE	OTHER PORTS	TOTAL FOR WEEK	CROP TO DATE
Rio.....	8,409	11,106	6,115	6,936	—	—	32,566	145,696
Santos....	20,231	46,659	—	4,225	—	—	71,119	213,696
Total	28,640	57,765	6,115	11,175	—	—	103,965	359,392
1904/1905	62,575	22,273	1,086	2,718	—	6,000	95,532	836,745

VALUE OF COFFEE CLEARED FOR FOREIGN PORTS
Week ended

	July 21		July 14		Crop to July 21	
	Bags	£	Bags	£	Bags	£
Rio.....	25,858	41,403	55,960	93,375	122,913	216,012
Santos.....	71,119	98,804	140,922	191,363	213,696	416,700
Total 1905/1906	97,977	142,707	196,882	284,738	336,609	632,712
do 1904/1905	91,546	168,581	170,194	311,918	323,833	596,485

São Paulo Coffee Estates. The report of São Paulo Coffee Estates Company, Limited, for 1904, to be submitted to the meeting on the 28th instant, shows a gross profit from the working of the estates of £28,505. After providing for the London expenses and the interest, and sinking fund of the debentures there is a profit on the year's working of £13,558. Deducing the debit balance brought forward from last year, viz., £688, there remains a net amount of £12,870 to credit of profit and loss, out of which the directors recommended a dividend at the rate of 7 per cent, on the preferred shares, leaving £4,470 to be carried forward. The dividends on the preferred shares will then remain 3 1/2 years in arrear. The crop of 1904 amounted to 35,373 cwts, an increase on the amount estimated of approximately 2,900 cwts. The net price obtained for the coffee as at the estates was 29s. 11d. per cwt. as compared with 27s. per cwt. for the previous year. The average price for the 1904 crop is the highest yet obtained by the company, exceeding as it does the previous best price by 2s. 11d. per cwt. In spite of having a larger crop to deal with, the managing director has succeeded in further considerably reducing the expenses at the estates. The economies effected have, however, been to some extent counteracted by a falling off in the net revenue from the subsidiary departments of the company's country business, and there is unlikely to be any appreciable corresponding reduction in the currency expenses. The directors report that the estates have been fully colonised throughout the year. The crop now about to be gathered is unfortunately small, and is estimated at 35,000 arrobas (about 25,000 cwts). The managing director reports that they have had general and abundant rains at the proper times, and if no other adverse circumstances intervene the 1905 crop will, it is hoped, largely compensate for the small crop now about to be gathered.

Weekly Report of the Companhia Registradora de Santos. Sales registered on basis of N. Y. Exchange. Standard No. 4 per 10 kilos:—

July 10.....	5,000 bags
" 11.....	2,000 "
" 12.....	2,000 "
" 13.....	8,000 "
" 14.....	Holiday
" 15.....	Nil

Closing quotations:—

July.....	4\$650
August.....	
September.....	

By Cable:—

Sales for the week ending 22nd July.....	29,000 bags
Closing quotations for October.....	4\$600
" " " December.....	4\$650

Shipments of Coffee from Victoria

DURING THE MONTH OF JUNE 1905

Shippers	
Hard, Rand & Co.....	2,000
J. Zinzen & Co.....	11
Total	2,110
Destinations	
United States.....	2,000
Europe.....	11
Total	2,011

The coffee sailed from Victoria during the 1904-05 crop July 1st, 1904 to June 30th, 1905, was consigned to the following destinations:—

United States.....	385,160
Europe.....	4,002
Rio and Constwise.....	1,301
Total	390,463

And shipped by the following firms:—

J. Zinzen & Co.....	197,902
Hard, Rand & Co.....	116,950
Theodor Wille & Co.....	75,800
Sundry.....	651
Total	390,463

Total export from July 1st, 1903 to June 30th, 1904 was 435,616.

OUR OWN STOCK

RIO: Stock on July 14.....	192,835
Entries during week ended July 21.....	57,330
Total	250,165
Loaded (Embarques) for the month.....	36,157
Stock in Rio on July 21.....	214,008
Stock at Nietheroy and Afloat on July 14....	12,172
Entries at Nietheroy plus total embarques including transit.....	41,966
Total	54,138
Deduct: embarques at Nietheroy and sailings during the week.....	35,238
Stock at Nietheroy and afloat on July 21....	18,900
Stock in 1st and 2nd hands and those at Nietheroy and afloat on July 21.....	232,908
SANTOS: Stock on July 14.....	918,470
Entries for week ended July 21.....	179,643
Total	1,098,113
Loaded during same week.....	89,552
Stocks in Santos on July 21.....	1,008,561
Stocks in Rio and Santos on July 21st, 1905.....	1,241,469
do do on July 14th, 1905.....	1,123,477
do do on July 22nd, 1904.....	1,371,775

FOREIGN STOCKS

	July 15/1905	July 7/1905	July 16/1904
United States Ports.....	3,518,000	3,610,000	2,559,000
Havre.....	2,500,000	2,500,000	3,467,000
Both.....	6,018,000	6,110,000	6,026,000
Deliveries United States	62,000	46,000	85,000
Visible Supply at United States ports.....	3,780,000	3,780,000	2,790,000

COFFEE PRICE CURRENT
For the week ended July 21st, 1905

DESCRIPTION	July 15	July 17	July 18	July 19	July 20	July 21	Averages
RIO N. 6. per 10 kilos	(min. 4.766 max. 4.834)	4.766 4.834	4.698 4.766	4.630 4.698	4.630 4.698	4.630 4.698	4.721
" N. 7 " " "	(min. 4.630 max. 4.698)	4.630 4.698	4.562 4.630	4.493 4.562	4.493 4.562	4.493 4.562	4.584
" N. 8 " " "	(min. 4.493 max. 4.562)	4.493 4.562	4.425 4.493	4.357 4.425	4.357 4.425	4.357 4.425	4.448
" N. 9 " " "	(min. 4.357 max. 4.425)	4.357 4.425	4.289 4.357	4.221 4.289	4.221 4.289	4.221 4.289	4.312
SANTOS superior per 10 kilos.....	4.000	4.000	4.000	4.000	4.000	4.000	4.000
" Good Average.....	3.900	3.900	3.900	3.900	3.900	3.900	3.900
N. YORK per lb.							
Spot N. 7..... cent.	8 1/8	8 1/8	8 0/8	8 1/8	8 1/8	8 1/8	8 1/8
" 8..... "	7 7/8	7 7/8	7 3/4	7 7/8	7 7/8	7 7/8	7 8/8
Options..... "							
" July..... "	6.85	6.75	6.80	6.65	6.80	6.80	6.74
" Sep..... "	7.00	6.90	6.75	6.80	7.05	7.10	6.93
" Dec..... "	7.30	7.20	7.05	7.10	7.25	7.25	7.17
HAVRE, per 50 kilos							
Options..... francs.							
" July..... "	Holiday	46.00	45.25	44.75	45.25	45.75	45.40
" Sep..... "		46.25	45.50	44.75	45.50	45.75	45.55
" Dec..... "		46.50	45.75	45.00	46.00	46.25	45.90
HAMBURG per 1/2 t.							
Options..... pfennigs							
" July..... "	37.25	37.25	37.00	36.50	37.00	37.00	37.00
" Sep..... "	37.75	37.25	37.25	36.75	37.50	37.50	37.33
" Dec..... "	38.25	38.00	37.75	37.25	38.00	38.00	37.87
LONDON per cwt.							
Options..... shillings							
" July..... "	36/9	36/6	36/3	35/9	36/6	36/9	36/5
" Sep..... "	37/-	37/-	36/9	36/3	37/-	37/3	36/10
" Dec..... "	37/1	37/1	37/-	36/9	37/1	37/9	37/4

SALES OF COFFEE for the week ending

	July 21/1905	July 7/1905	July 22/1904
Rio.....	30,000	18,000	36,000
Santos.....	66,190	51,500	135,000
Total	96,190	69,500	171,000

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OF THE

"Brazilian Review"

FOR 1904, 1903 AND 1902

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36 RUA D'OUVIDOR 36

Price 80\$000

CURRENT COFFEE FREIGHT RATES

FOR THE WEEK ENDED JULY 22nd, 1905

Table of current coffee freight rates for various ports including Amsterdam, Antwerp, Alexandria, Algiers, Almerie, Agulhas, Algon Bay, Bassorah, Barcelona, Beirut, Bilbao, Bremen, Bordeaux, Bombay, Braila, Zrindisi, Buenos Ayres, Beyrouth, Cadiz, Do via Genoa & Marseilles, Calcutta, Carthage, Colombo, Corfu, Currahee, Coruna, Cavalla, Christiania, Copenhugen, Cape Town, Constantinople, Coquimbo, Durban, Delagoa Bay, East London, Fiume, Galatz, Genoa, Gibraltar, Gijon, Hamburg, Havre, Hongkong, Kobe, Liverpool, London, Malaga, Malta, Marseilles, Messina, Metelino, Montevideo, Mossel Bay, Mostaganem, Naples, New York, Orleans Liners, Odessa, Oran, Pansjes, Palma de Mallorca, Penang, Palermo, Patras, Pirous, Port Said, Rotterdam, Rangoon, San Sebastian, Santander, Sanson, Seville, Shanghai, Smyrna, and Southampton.

Table listing specific freight rates for routes such as Suez via Trieste, Salonica, Smita, Tacabmano, Taragonne, Trebizond, Tunis, Valencia, Valparaiso, Varua, Venice via Genoa or Marseilles, Vigo, Yokohama via Trieste, and Zanzibar via Trieste.

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

THE FREIGHT MARKETS

British. Fairplay of June 29 says that the tendency of the freight market since the last report has been weaker, and, in fact, in many instances lower rates have been accepted. It also remarks that with regard to Coal rates from South Wales one or two bounts have been taken to Rio at 9s. which is poor business as with 28000 for discharging and the risk of quarantine, the business is scarcely worth taking at all.

The Manchester Spinner and the Lord Curzon were fixed to Rio at 9s.
Argentine. Rates to Brazilian ports from B. A. are now quoted: 22/ to Bahia, 20/ to Pernambuco, 20/ to Porto Alegre, 13/ to Rio Grande, 12/ to Rio or Santos, and 14/ to other lower ports. Times of Argentina, July 10.

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

Table of local market forward engagements listing ship names (Per S. S. Szege, Thespis, Uranus, San Nicolas, Terrot, Korthugo, Duchessa di Genova, Magdalena, Teviet, Citta di Milano, Magdalena) and their destinations (Trieste, New Orleans, Trieste, New York, Hamburg, Southampton, Hamburg, Genoa, Cape Town, Havre, Smyrna, Buenos Ayres, Montevideo) along with bag counts.

WATER TELEPHONES SUPPLANTING SIRENS

Hearing apparatus (transmitters and receivers) were placed on line of steamers running between New York and Boston. Permission was obtained from the United States Lighthouse Board to place submarine bells on four of the lightships on the course of these steamers. The running time between New York and Boston is about twenty hours, and the lightships had orders to ring these bells for an hour before and after the time the steamer usually passed them. It was found that the submarine-bell notes and other sounds, like screws of steamers, were readily heard. The officers of the steamers first equipped were naturally sceptical, but actual experience with a submarine bell at a distance of a few miles at once gave each one of them confidence, and turned scoffers into friends. All officers of steamers, as fast as their ships were equipped and tested, became enthusiastic assistants, and made repeated reports of progress, or interesting observations. The captain of the James S. Whitney located his course to a lightship at a dangerous point on Nantucket Shoals, when five miles away, in a heavy gale and snow-storm at night. He had heard nothing and seen nothing whatever for five hours. His soundings indicated a lee shore, and under favourable circumstances the lightship siren might have been heard, but the gale carried its blast in the opposite direction. The blows of the submarine bell were heard with great distinctness the moment the receivers were placed to the observer's ears, and the course was correctly laid at once. The range of the bells was at first found to be about 3 nautical miles, but, as the officers became more interested, and more accustomed to the idea of hearing sound sent through the water and the walls of their ships, they began to listen at longer distances, and could hear sounds 12 miles away from a steamer that was running 15 knots. It was seen that gales, tides and high waves had no effect upon submarine sounds. After a little experience, the officers often found for themselves that whenever the ship was pointed directly at the submarine bell, the starboard and port sounds were alike, while swinging the ship one way or the other always varied the relative intensity of these sounds. If the bell was directly astern, it sounded as if muffled, and its range was very short. A brief experience embled these officers, without exception, to locate the submarine bell within one-eighth of a point, whatever the distance. At the first observation, as close as one fourth of a point, was recorded at a distance of 10 miles. The screws of passing tugs or steamers began to make themselves heard, and as evidence of this nature accumulated, the invention assumed importance along the water front. A certain degree of confidence in the invention was to be derived by navigators from the fact that the Signal Company spared neither money, pains, nor influence to ascertain, once for all, the strength or weakness of the system.

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FINE ENGLISH TAILORING
FORMERLY OF POOLE'S, LONDON
ALL LANGUAGES SPOKEN TERMS CASH
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Passenger service for New York

THESPIA (New Orleans and New York)..... 29th July
TERENCE..... 9th August
CALDERON..... 19th "

The steamer

BYRON

4,001 tons

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RIO DE JANEIRO

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Shaw Savill & Albion Co., Ltd.
The New Zealand Shipping Co., Ltd.
The Howden Line of Steamers*

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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 Lighters.—ditto.

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

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Hamburg-Südamerikanische Dampfschiffahrts-Gesellschaft

The splendid German Steamer

SAN NICOLAS

Captain Krüger

Expected from Santos on the 27th July 1905 will leave on 28th July for:

Bahia, Lisbon, Oporto (Leixões) and Hamburg

at 2 p.m.

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

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POTOU..... 1st August
LES ANDES..... 8th "
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Through fares to Paris 1st class..... f. gold 725
do do 2nd..... f. 550
do do 3rd..... f. 199
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do do do 2nd... f. 882
do do do 3rd.... f. 384
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NORDDEUTSCHER LLOYD, BREMEN.

Capital.. 120,000,000 Marks

NEXT DEPARTURES

Date	Steamer	Destination
1905 July 28	Aachen.....	Bahia, Pernambuco, Madeira, Lisbon, Leixões, Antwerp and Bremen.
Aug. 11	Halle.....	Bahia, Madeira, Lisbon, Leixões, Rotterdam, Antwerp and Bremen.

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Rio — Rotterdam, Antwerp, Bremen..... Marks 460 £. 10/-
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6,000 tons

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

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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 31	Aragon.....	Santos, Montevideo and Buenos Aires
August 2	Magdalena.	Bahia, Pernambuco, Madeira, 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.

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Royal Mail Steam Packet Co. In view of the approaching arrival of the "Aragon" in this port on August 1st, the following from *Fairplay* may interest our readers:—

"The trial trip, or I should say cruise, of the new Royal Mail Steam Packet Company's twin-screw steamer *Aragon*, built by Harland and Wolff, marks the rejuvenation of that ancient Company, and is an indication of what may be expected in the future, inasmuch as the *Aragon* is to be followed by other ships of the same type. The Royal Mail has suffered in the past by its prestige, and it is its prestige, in my opinion, which is going to re-establish it in the future. It may appear paradoxical to say that a Company has been a loser by its good name, but it would not be difficult to prove that that has been the case with the Royal Mail. Those at the head of the concern—perhaps it is a strong term to say that they were incompetent, but it is perfectly safe to say that they could not manage the Company—relied so entirely on the position which half a century ago the Company held in public estimation that they were far away above seeking for business, and, in fact, they put themselves in the position of men who were to be approached by applicants for space on banded knee. And that was not the worst. They refused cargo of a kind to which they had not been accustomed, and what followed? Other more capable more enterprising men, stepped in and took a mass of paying business which the Company, relying on its high reputation, acquired in a time of non-competition, had refused.

As everyone knows, a change has come over the spirit of the scene. Old, respectable, but utterly effete directors and managers have given place to new blood. The new chairman, Mr. Owen Phillips, is leaving no stone unturned to recover the lost ground, and I am inclined to think, he is succeeding. The staff has been remodelled; the fossils have been put to what I hope will turn out to be comfortable beds, and more energetic men—I will mention Mr. A. S. Williams and Mr. Forbes—have taken their place. Notwithstanding all its laxity of management in the past, the Royal Mail Company bears a name in the countries to which it trades which stands higher than that of the most ambitious of its competitors. All that is required is to adapt the means of doing the work to the work which undoubtedly can be had to be done. The first step in this direction is the *Aragon*, a magnificent steamer, to which, as I understand, Mr. Pirrie has devoted exclusive and even an unusual amount of attention. I was on board of her on the trip on Saturday last from Liverpool to Southampton. I have been on a great many steamers—some larger, some smaller, as a rule all good—but I have seen nothing to surpass her, in point of fitting, accommodation, and general arrangements, especially ventilation. This is a strong statement to make, but I think it will be borne out by the experts who were present on the vessel.

The social part of the function was in every way delightful. The chairman was not present, but several of the directors were, as also was Mr. A. S. Williams, who literally worked from morning till night, and spared no trouble to provide for the comfort and satisfaction of the guests on what I will describe as even an unusually liberal scale for trial trips or cruises. Mr. Pirrie himself was present, and unaffectedly expressed his pride in the last outturn of his genius. All who know Mr. Pirrie, whether or not they agree with him in matters of policy, must recognise the genial manner in which he throws himself into the spirit of the moment; and, in fact, he was on board this ship, as he is in most other places, the life of the party.

Full descriptions of the vessel have appeared generally in the Press. One feature I will allude to because I believe it is an entire novelty. The saloon of the vessel, instead of being high up, is low down towards the hold. The reasoning which led to this change was very simple. The time that is spent in the saloon of a steamer is comparatively small. Most people get away from their meals as soon as they can, and a good many before they have finished them, whereas the time that is spent in the cabins, state-rooms, and upper accommodation occupies the greater part of the twenty-four hours. Therefore it was considered that it would be desirable to change from the usual plan of putting the saloon on top and the accommodation below, and in my opinion the improvement is great. To begin with, the lower down you are in the vessel the less any motion is felt, and that, particularly at meal-times, is a consideration not likely to be overlooked by those who are subject to sea-sickness. I should add that the ventilation throughout is absolutely perfect, and, although the weather was intensely hot, no inconvenience was experienced in any part of the vessel from the heat.

The weather was fine, the sea smooth, and everything passed off without a hitch. The *Aragon* moved easily, and the action of the engines was imperceptible. I do not see how turbine machinery could make less disturbance than these engines did, because you cannot take anything from nothing, and when there is no movement at all it is difficult to see how less movement is to be obtained by any process whatever. I congratulate the Company on the acquisition of this vessel, which is to be rapidly followed by others of the same type. The *Aragon* will be put on the Brazil and South American trade. There are grandees out yonder as there are in other places, and they are not particular what they pay for extra good accommodation. To suit their tastes and purses suites of apartments have been provided which it would be impossible to heat—a sitting-room, bedroom, dressing-room, and bath-room all connected. The officers are of the type for which the Royal Mail Company has long been famous—quiet, gentlemanly men, attending strictly to their business."

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	17,631	122,118	\$3,058
Leopoldina	1,460	1,400	July 15	21,236	15,533	415,992	250,158
S. Braz. Rio Grande. b	176	176	Apr.	204,122	205,342	1,055,883	1,181,593

a Earnings reported in pounds, b in mil reis.

Market Reports

Pernambuco, July 12th, 1905.

Sugar. There is no change to note on our market which is paralysed and there are no buyers at the moment for anywhere, and even Pará is quiet and offers much lower prices for Usinas, but as this quality is now scarce, holders are not eager to realise. Today's quotations are as under and nominal:—

Usinas.....	48800 to 58000	per 15 kilos on shore
Crystal white.....	38500	" "
" yellow.....	28000 to 28500	" "
Whites 3a. boa....	48000	" "
" 3a. regular.....	28600 to 28800	" "
Somenos.....	28400	" "
Clayed.....	28000	" "
Bruto secco.....	18800 to 28000	" "
" melado.....	18300	" "

The estimate of present stock varies considerably some putting it as low as 80,000 bags whilst others call it 150,000.

Entries are still large for season and for past 8 days of present month are 5,841 bags compared with 1,956 bags same date last year. Weather is still favourable for growing crop, but more sun might come with advantage, and this would ripen cane so as to begin grinding next month. Planters generally call crop enormous and say actual result will depend upon quantity of cane each planter can crush, generally speaking planters may have double amount of cane they had last year and is all in prime condition.

CLEARANCES past fortnight have been 7,602 bags to Rio and 15,396 bags Santos and to Liverpool 7,671 bags per ss "Inventor."

MACÉIO advices of growing crop are also good: they have still large stock of old crop but apparently dealers are beginning to realize and s. s. *Tamar* goes there to load about 1,500 tons for London.

Cotton. After my last continued firm at 88300 to 88500 but on 1st inst a Rio shipper paid 88800 for 500 bags then came news of smart rise in spot cotton in Liverpool and on 3rd about 6,000 bags were sold at 92000; in spot about 2,000 more were taken at same price, and later 200 to a Rio shipper at 92300 and 300 to a factory here at 92200 on 5th about 1,300 bags were sold at 92500 and during next three days about 3,500 bags were taken, then market eased off yesterday with news of decline of 10 points in Liverpool and some transactions were reported at 92500 and about 600 bags in Liverpool mediums at 85500.

Today market opened at 92000 to 92200 for Sertões and 88800 Maltas, but at last moment two Rio shippers are reported to have bought about 1,500 bags at 75500 and position is a queer one, as part of this was resale by a large Southern buyer, who paid same price for it two days ago, and he is still offering to resell a further 1,000 bags without so far finding a buyer.

ENTRIES to 8th were 4,500 bags, compared with 1,304 same date last year, but past few days it has been coming in strong and some of the railways are bringing over 1,000 bags daily.

CLEARANCES for past fortnight have been 6,335 bags to Rio 850 bags and 1,050 pressed bales Santos, 20 bags and 74 bales Rio Grande, 512 bags Bahia, to Liverpool 113 bags and 400 bales, and to Russia 400 bales. In 30th June total entries since September have been 212,503 bags compared with 180,256 bags in previous year, and the total shipments for same period have been as follows:—

To Rio de Janeiro.....	83,004 bags
" Santos.....	36,478 "
" Bahia.....	4,420 "
" Rio Grande.....	4,084 "
" New York.....	80 "
" Liverpool.....	22,565 "
" Taken by Continent here.....	19,239 "
" Taken by Fabricas here.....	24,000 "
Total.....	193,870 bags

One of the greatest Fabricas here is shut down since beginning last month and will only reopen in August, and another talks of only working 3 or 4 days a week. All hold large stocks of goods, whilst demand is run down to lowest possible dimensions.

Coffee. Reports of coming crop are good and estimates place it at 40,50,000 bins against about 20,000 bags for the past crop.

Beans: market easier again and we quote 108000 to 128000 per bag.

Farinha. The decline in price caused Planters to stop grinding and as result very small entries have been available during past fortnight and this coupled with a renewed enquiry for Pará and Maranhão has caused some re-entention and there are today buyers at 38800, but sellers are demanding 48000 and seem likely to get it.

Milho. Local demand caused prices to advance to 105 to 110 réis per kilo and some fair quantities of Penedo were placed at this price, market closes easier at about 100 réis and will soon decline as given a few days of fine weather we shall see entries of new crop.

Freights: no change and cargo very scarce.



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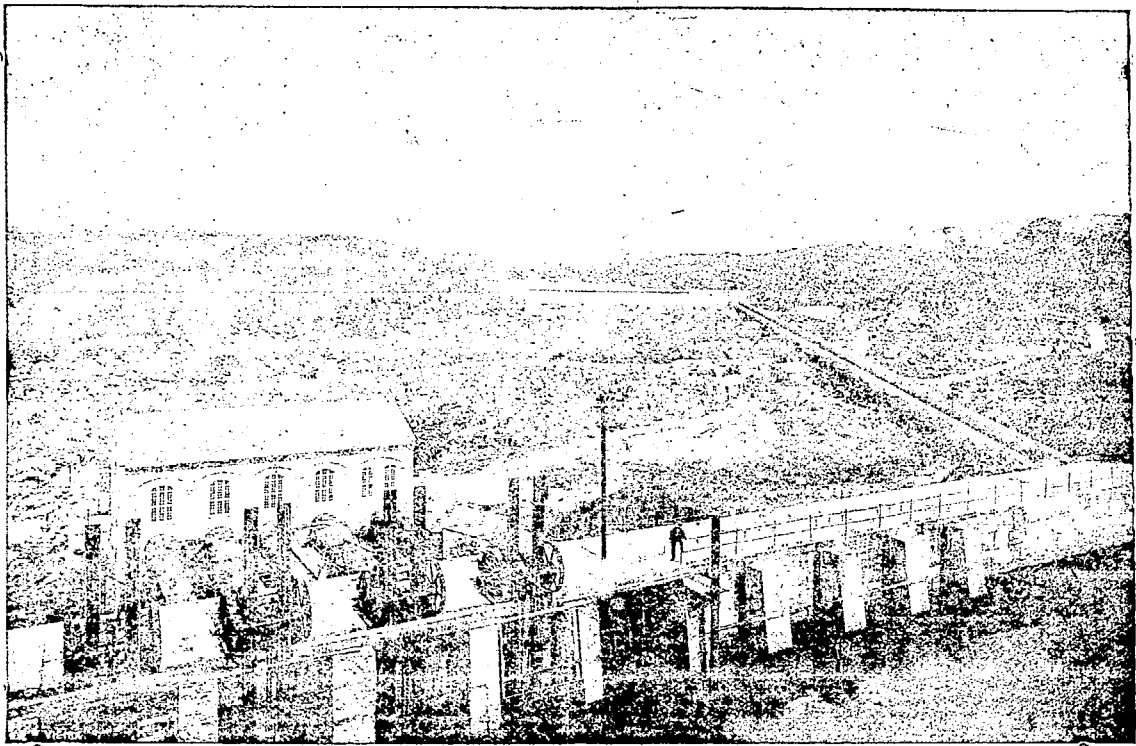
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Rs. 6\$000

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Whether in search of the picturesque or on business intent, the traveller who pays a visit to S. Paulo, *en route* for Europe or the Plate will be richly repaid. Leaving his steamer at Santos, he can take the train up the *Serra* over the S. Paulo Railway, enjoy its splendid scenery, spend a pleasant day in the city, and then take the night train and rejoin his steamer at Rio next morning or leaving the steamer at Rio he can take the night train to São Paulo — spend the day there and rejoin his steamer at Santos next morning.

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 Tietê 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 Matto 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.

HYDRAULIC-ELECTRIC PLANTS IN THE WORLD!

With such advantages the city of S. Paulo is bound to become the great manufacturing centre of Brazil, which already has some 20,000 inhabitants, a population equivalent to that of all the rest of South America, and nowhere can capital be more profitably employed. Labor is cheap and plentiful, whilst the high protective tariff ensures large profits to properly conducted manufacturing.

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

THE SAO PAULO TRAMWAY LIGHT AND POWER COMPANY, LIMITED.

The accompanying vignette shows a view of the works of this company on the Tietê River, at the village of Parna-hyba, about 23 miles from the city. The dam is 833 feet in length, 36 feet in width at the base, and has an average height to bed rock of 45 feet. From the pond formed by the dam, the water is conducted to a secondary reservoir through two steel tubes each 12 feet in diameter and 2,300 feet in length. From this reservoir the water is conducted to the turbines with a head of something over 77 feet. The power at present produced is 10,000 H. P. Additional machines, increasing same to 15,000 H. P., are now being installed and thereafter the amount can be increased indefinitely. From the power house the energy is transmitted to São Paulo, where it is utilized for the operation of the tramway, light, power, etc.

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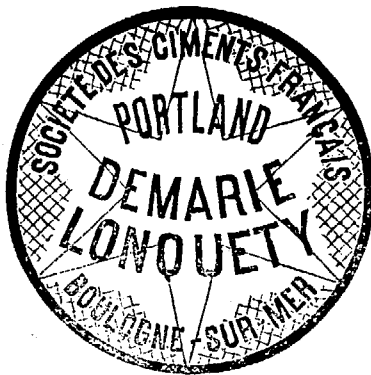
the two greatest elements of human progress anywhere, the industrial future of São Paulo is guaranteed and no better field for enterprise could be found.

VISIT IT AND SEE FOR YOURSELVES

and for information apply to

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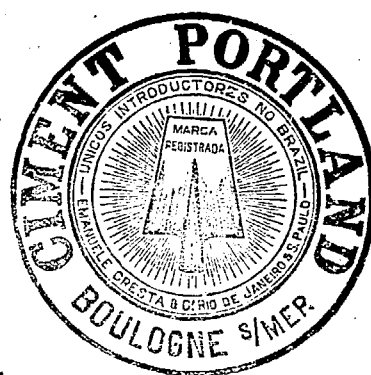
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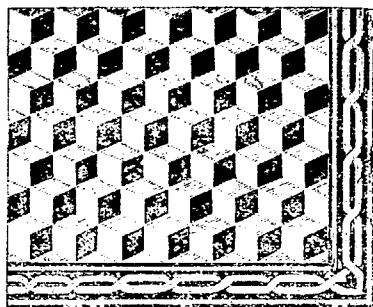
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The Brazilian Review

SUPPLEMENT

VOL. VIII

RIO DE JANEIRO, TUESDAY, JULY 25TH, 1905

No. 30

PROGRAMME OF DR. BERNARDINO DE CAMPOS

AN INTERVIEW WITH DR. BERNARDINO DE CAMPOS. — HIS CANDIDATURE. — HIS OPINION ON THE ACTUAL SITUATION OF THE COUNTRY. — WHAT IT BELIEVES THE FUTURE PRESIDENT TO DO. — GENERAL (POLITICAL ASPECT). — THE POLITICAL SOLUTIONS ARE FURNISHED BY THE CONSTITUTION. — THE ECONOMIC-SOCIAL PROBLEM. — THE MILITARY PROBLEM. — INTERNACIONAL RELATIONS. — SYNTHESIS OF THE PROGRAMME: INSTRUCTION AND PROTECTION.

It was in his study, in the modest house where he has resided for many years, *rua* S. Joaquim, in the suburb *Liberdade*, that Dr. Bernardino de Campos honoured me with the "interview" which I had solicited by telegram. It was he in person, with the simplicity of habits and of life which characterize him, who came to open the door and receive me with the cordiality and frankness all his own and which explain his popularity amongst all classes in this State.

For a moment, I was alone in the study: some rosewood book-stands, a few arm chairs, a chaise-longue for reading and, scattered every where about, reviews, works on finance, political economy, reports, messages, in a disorder which clearly denoted the interest of its occupant in them. But already the door was opening, through which I could see the dining room, patriarchal and simple, and Dr. Bernardino de Campos entered preceding the bearer of two cups of coffee. I did not refuse the offer, it was the least homage I could pay to the State of which for some hours I was a guest. . . . Dr. Bernardino sat down in front of me and, with his wonted affability, said some flattering words in praise of *O Paiz*. I listened, preoccupied. I was examining him carefully, studying his gestures and movements, and asking myself how the legend could ever have been invented that the health of the man I saw before me, strong and agile, putting me to shame, me, who must pass the days waiting for the cruel *Pare* to cut once for all the frail thread of existence. But there was no time for funeral cogitations. A modern journal has implacable exigencies, and I was there only to satisfy them. Every minute must be utilized.

**

Representative. Your *Ex.* knows what I want? Your *Ex.* is a candidate for the Presidency of the Republic. Dr. Bernardino de Campos at once retorted.

Excuse me, I am not a candidate for anything, nor ever was I in all my life. They have made me a candidate. I was in Europe for my health and, absolutely, was not thinking of succeeding to the Presidency. To friends there, who spoke to me on the subject, I gave the same answer: that I was not thinking at all about it. It did not occupy my attention because, personally, I had no ambition and, politically, I was certain that the choice made by my friends, in harmony with the President, would best consult the public interests.

Representative. But your name has been proposed here.

Dr. Bernardino de Campos. Yes, the party adopted my candidature and I act with my party. If the convention, which represents all the different groups in the States, approve of the present Government's policy, and support my name, I shall stand for election.

I shall then be the candidate of political opinions regularly constituted; not my own individually nor of any particular leaders.

I shall then represent neither a caprice, nor an explosion of personal vanity, but I shall obey the injunction of my party. Before this, or without this, I am not a candidate for anything.

Personally (he added, smiling) I should only be a candidate for the retired list, having already reached the age required by law.

**

Representative. Besides, the post of President of the Republic can scarcely tempt any body, for the situation of the country is not a bed of roses.

Dr. Bernardino de Campos. Yes, it will scarcely be a bed of

roses. But I believe there is no country where it can be said to be so. Peoples would not progress were they not dissatisfied. But from a practical point of view, I find our situation favourable rather than the contrary.

We have progressed and improved greatly of late. Look at the financial situation. I had in 1897 to liquidate the heaviest of inheritances: it was, naturally, in the Ministry of Finance that were accumulated all the errors of the provisional government, which we so combated and, later, all the extravagances of the civil conflicts which we sustained to preserve what had been won by the revolution of 89. All that could be done in the circumstances was done: expenses were reduced to the lowest limit consistent with the maintenance of indispensable services; the interest on *apólicas* was re-converted from 4% gold to 5% paper, so as to reduce the requirements for gold; contracts were liquidated to save the Treasury from heavy losses; the collection of part of the Custom house duties in gold was projected; consumption taxes were regularly initiated; the Treasury took over and assumed the responsibility for emissions of paper money, the Bank of the Republic's right being extinguished, and the issue of *bonus* was substituted by Treasury notes, thus putting the currency in order. At same time, the Decree was promulgated which established the measures necessary for the valorization and conversion of the currency; redemption and conversion funds were created. In my Report for 1897 all these measures are given at length. In the following year, exchange, being without support or protection, and continuing to fall, I negotiated the arrangement in London, which my old friend and colleague Dr. Campos Salles, duly authorized, discussed in London, and so faithfully carried out during his term of office. That arrangement marks an era in our financial history. In reality, it was nothing else than a loan for the payment of the interest on our debt, but a loan issued at par, when all the circumstances of our credit appeared to be against us. This loan relieved us of the difficult, if not impossible, task of finding gold, when it had become scarce and was accumulated in very few hands, who exacted whatever price suited them; which had the extraordinary virtue of instantly arresting the internal commercial crisis that was imminent, and which, happily, obliged us to undertake the redemption of the paper currency. Many of the accusations made against this arrangement, which to-day everybody applauds, were altogether unreasonable. The financial mechanism which it involved had already been adopted by us: you will find in the decree of 28th December 1896 everything that was afterwards stipulated by the arrangement, perhaps even more clearly accentuated. In fact, in that decree we consigned various sources of revenue, amongst which the leasing of the federal railways — for which any other application was prohibited is the phrase in the law — to the redemption of the paper money. That redemption was to be made in this proportion: 10% in 1898, other 20% in 1899, other 25% in 1900, until a convertible currency could be attained. It was further established that the sums not applied to redemption should be deposited in gold, coined or bar, in the Treasury, "in order to constitute a permanent conversion fund."

The present Government maintained the regular performance of these measures with brilliant results; strengthened the guarantee and redemption funds; converted an experiment into a settled policy and have assured by the progressive rise in exchange and by the quotations of our bonds abroad — the highest yet seen — that our credit is definitively consolidated.

It was then its privilege to give life to the Government of the country; we ceased to consider the State as a parasite of the nation, exacting from it tribute with which to fill its coffers, and we entered with decision on the road of material development. It is unnecessary to repeat here what it has already realised in that direction, and it is sufficient to read the last message which the President addressed to Congress — a document which the *Paiz* well said was of its kind the most notable that has appeared — to be convinced that, if the new policy it indicates be followed with firmness, Brazil, within,

relatively, a very short period, will have attained a degree of prosperity and greatness such as we ourselves can scarcely form an idea of.

It is for these reasons that I say the situation is favourable. It all depends on the men who succeed that they continue with the same ruling principles, essential to the life of the nation, which once applied cannot be interrupted.

You know the history of the United States and are aware that they only rehabilitated themselves financially and economically, after the disasters of the war of succession, because the principles of the republican programme were maintained, without interruption, by a long series of presidents. He, who at last, had the glory of decreeing the conversion of the paper was only the last of the series, commencing with the one who emphatically assumed the responsibility of paying in gold the deluge of greenbacks, which had inundated all the States, declaring it to be a debt of honour of the United States.

Representative. So that the Programme of your Ex.

Dr. Bernardino de Campos. I have no programme; my programme is that of my party. I am a republican, I preached the republic, I desire that we should carry out the programme which is its logical consequence. It is clear that the republic does not exist simply because there is no longer an Empire and the country has merely adopted another form of political organization. The era of material conflict, almost inevitable after such profound shocks as resulted from the abolition of slavery and the abolition of the Empire, is closed.

It may be said that it was I who, as Minister of Finance, liquidated that past and opened a new account. I have already shewn you that this account is going on well; the situation of the country is good; it is urgent to attend to that of the people. It is evident that the republican ideal is not to make the State prosperous and the population miserable: it is that the prosperity of the State shall be the evidence of the general well being of the whole population. Now, for this it is necessary that the people should be able to labour, know how to labour, and reap the benefits and advantages that intelligent labour produces.

What is necessary for this? That the people may be able, and know how, to apply scientific and practical knowledge, which is today the real patrimony of humanity, to labour that is, to agriculture, to pastoral industry, to the textile and extractive industries, to commerce; and that the result of labour may really benefit the workman, and allow him to live better and to save—the real secret of the wealth of a nation.

In short: Instruction and Protection. There you have in two words what I consider the first duty incumbent on a republican government. This is only repeating what I have always said:

There is my report as Minister of Finance in 1897. On p. 116 I said, "Thus, the national agriculture is impoverished and its energies are impaired because it opposes an inexpugnable wall of prejudices to the invasion of modern ideas, whilst competing foreign industries seek to multiply their elements of action, conquer new and more favourable positions in the consuming centres, obtaining with a less expenditure of effort the greatest possible sum of usefulness. What can it avail us to proclaim the fertility of our soil, the vast area of our country, when all these riches are almost lost, because our intelligence is not yet sufficient to appropriate them rationally to the satisfaction of our wants? We are an immensely rich country, says national vanity, but the customs returns demonstrate that we seek abroad articles that we could abundantly obtain from our soil and which are indispensable to public alimentation, placing Brazil in a humiliating situation of dependence that is interpreted as a symptom of decadence. The greatness of a country, as is well known, is not measured by the vastness of its territory, by its natural riches, by its special fertility, but by the labour of its inhabitants, on whose initiative its development depends. And, if you want this in a synthetic form, read a little further on (p. 148): "We fought nobly for the conquest of our economic independence, for the completion of the work of our political emancipation, and not to have our most legitimate aspirations of a free people asphyxiated by the nightmare of exchange, whose capricious variations override economic laws. To attain this it is indispensable to methodize professional instruction, create aptitude for work, which is the source of all greatness as it is the germ of all prosperity. Fixed capital, capable of useful results, like all the instruments of production, man makes himself more valuable by the beneficent action of science, which increases his powers over nature, endowing him with the elements most appropriate for the domination of matter, for its transformation, which gives birth to industry in its different forms." Thus I enunciated my conviction, that it is necessary to pass from programmes to the practical side of life. The action of the successor of the present President of the Republic will certainly have to follow in that direction now practically adopted. Now, as in the past, we can neither stop nor go back.

The country adopted the political solutions embodied in the Constitution: *there is not in discussion any political problem properly speaking.*

What we have yet to prove is that the people can, in fact, enjoy under the republican regime happiness such as it never possessed. And, to give some idea of the importance and gravity of the problem, it is sufficient to say that it is necessary to give to the great mass of the population a higher ideal of happiness than they have yet known.

Representative. Then supposing that your Ex. is in a position to carry these ideas "from the programme state into practice" how would you do it?

Dr. Bernardino de Campos. I am not in a position to detail now, one by one, the measures that should be adopted: everything depends on an exact knowledge of the situation, of the support which public opinion, duly enlightened by an active and efficacious propaganda would give to the government.

In the republican regime the government is nothing more than the instrument of that opinion; but, in countries like ours, it is necessary to prepare it, to combat prejudices, to conquer the sentiment of routine, in order that sound ideas and necessary measures may not be applied against public opinion so that the government may not appear as tyranny, even when this tyranny is exercised for good. This is the principal mission of the press; the education of the masses the government will certainly carry out, but only the press can prepare the ground so that this be profitably effected. I already said, for example, that our first duty consists in making public instruction a reality. It is a complex problem. We ought, however, to begin by attending to primary education. The Constitution entrusted this to the States, and till now we have considered that the Federal government is and ought to be foreign to the matter, and, even indifferent to it.

Now, if we desire to preserve ourselves as a nation, create public spirit, inspiring all minds with the sentiment of a united country, cultivate in every breast the love of Brazil, stimulate the cult for liberty and prepare future generations to labour in such a way that the government of the nation may become something else than merely the expression of a personal power, we have no other course than to disseminate these ideas in the primary schools, to unify and nationalize them. For this, the only fruitful force is a mutual understanding: the State governments and that of the Union should nominate competent professors, to meet in a congress to which would be entrusted the organization of primary education, of the scholastic programmes—both for the primary and normal schools.

On its side, the central government would go to the assistance of the poorer districts in the country, subventioning primary schools, maintaining model and normal schools which answered to the general scheme formulated by the pedagogic congress. An examination of the relation between the revenue of each State and its population would indicate those that were in need of assistance from the Union. As the crown to this edifice, we should create a federal department of education, on the model of similar institutions in the United States, and should thus, without altering the general lines of the political organization of the country and without extraordinary sacrifices, give a great impulse to primary education. Do not be surprised at my enthusiasm for primary instruction: it is principally in that that lies the solution of all our problems. "The education of Brazilian youth", I said in my report for 1897, "has necessarily to follow the modern ideas which aim, beginning with primary instruction, at the preparation for life, so as to constitute, on solid bases, the cohort of future husbandmen and awaken new activities in the present generation." When one considers that our highlands are inhabited by a strong and energetic race perfectly adapted to the climate and that, to open up and develop these regions, and that the people should live in a manner more consistent with civilization, it is only necessary to provide such practical knowledge as the primary school can and ought to furnish, clearly there should be no hesitation as to the organization of education or the expenditure, whatever it may be, necessary to ensure it.

It is obvious that the federal board of education—to which perhaps it would be better to give the form of an independent department—would not attend merely to that indirect influence on primary instruction, which belongs more immediately to the States, but would organize statistics of the school population and of the number of schools existing, would make frequent publications referring to teaching, would promote school exhibitions, would create school museums, fixed and ambulatory, would encourage frequent attendance at the schools, establish night schools for adults and superintend the secondary and higher education, giving them new organization. The secondary and superior courses should not continue to be a machine for turning out more doctors and bachelors, to add still further to the intellectual proletariat, but constitute a centre of the higher studies, by means of which, along with knowledge, there may be acquired the experience necessary for profitable application to the study of the natural resources of the country, and to indicate unmistakably the career that should be followed in order to ensure success in life.

For the great mass of the people, the urgent need is that of establishments where they can get professional, agricultural and technical instruction.

My opinion as regards this has not changed. "Widely diffused primary instruction among the rural population"—read this at p. 120 of my report—"once created the establishments of which I have treated above, others can be instituted with a higher programme, always obeying the objective of placing the practical on a par with the theoretical and securing the prompt results which the situation requires. Bacon's motto ought to be ours: if experiments are guided by theory, they are blind; if theory be not supported by practice and experience it becomes deceptive and uncertain." The schools of high agronomic research should not preoccupy the legislator, because the aim of any plan of agricultural instruction in Brazil can not be to create doctors in agriculture, theorists full of erudition, who will not or cannot apply it to the agricultural industry but

go to swell that part of the population which Ives Guyot classes as parasites.

The extreme limit to which our institutes of agricultural instruction should attain is that of the French regional schools and not that of the Agronomic Institute of Paris; especially suitable are the institutions spread through France, Germany, Belgium, Switzerland and Denmark, in which, besides the practical study of agriculture in its different branches, the student is instructed in the industries most nearly connected with agriculture, especially that of dairy produce.

Technical instruction thus disseminated, completed by industrial museums, is the most valuable protection that can be afforded to labour.

It is advisable however to include agronomical and meteorological stations similar to those in the United States, and zootechnical posts: those for the study of climate, for the analyses of the soil, for the discrimination of fertilizing materials, for the determination of correctives to employ in view of the physical and chemical properties of the soil; these for the adoption of the breeds of foreign cattle, for the study, observation and improvement of the existing breeds, for the study of ordinary and epidemic diseases etc. There can be no useful and productive agriculture without that, nor possibility of developing our pastoral industry without having recourse to it; but as there is no doubt that it will be impossible for each planter and each breeder to start on his property such establishments, it is to the State that it behoves to do it, for the general benefit.

Further, it is necessary to undertake the systematic study of the treatment of the land we inhabit, both in its geographical and geological aspects and as to its underground riches, the meteorological conditions, the wealth of forest, the culture adaptable and existing; the volume of water in the rivers, and as to its mineral and ichthyological riches. Within some years, the country having been divided into zones for examination and this examination entrusted to able and competent professionals either national or foreign, we should have a sure basis on which to judge of the most suitable method of directing its practical development: we should abandon empiricism for the solid ground of experience and scientific observation. Besides this, it behoves us to know our actual worth: what we produce and in what conditions we produce it, what we consume, what we import. Only Commercial and industrial statistics can enlighten us.

Representative. It is a vast work.

Dr. Bernardino de Campos. Vast, but indispensable, and not to be postponed. The President of the Republic has just laid the foundations of it in his most notable message, to which I alluded, insisting on the creation of a federal department of agriculture. It is, indeed, to that department that will fall the greater part of the task, which will have to be carried through without infraction, nor diminution of the competence and authority of the States, but by arrangement with their governments, reciprocal aid and cooperation.

In the present State of civilization all progressive force lies in cooperation, which is equally possible between individuals.

Representative. It is evident that your Ex. is amongst those who like us, applaud, with enthusiasm the policy of material improvements, which the present government undertook so vigorously.

Dr. Bernardino de Campos. This conclusion follows from all that I have been saying. Material improvements are ports, highways, bridges, railways, navigation, sanitary works.

There is neither life, nor labour, nor progress without them. Let us open highways, construct railways, even light economical ones, open our great rivers to navigation and we shall at once see population accumulating along these highways and rivers. "In almost all countries, especially in Brazil," I wrote eight years ago, "there are enormous unexplored areas, entirely without value, because, in spite of their fertility, they are wanting in easy means of transport to connect them with consuming centres; but, if by man's activity, highways and canals are constructed and the rivers are opened to navigation, the lands will soon become valuable and progress manifest itself in all its plenitude." If you wish to know clearly my ideas on the subject, let us turn once more to the report of 1897 (p. 163.)

"All countries should subject their transport system to a general plan which consults the methodical peopling of their soil as well as their economic, commercial and international interests. The roads connecting different properties, should converge on the neighbouring highways connecting the *freguezias* and *municípios*, which, in turn, should communicate by railways, traversing the most productive zones of each State and terminating in the commercial centres of consumption, importation and exportation. The States should also be connected by these or other railways of general benefit. The regular, active, accelerated and mobilized railway system of the interior of the country ought to be prolonged to neighbouring countries by means of well constructed, economical, and international lines, with high velocity and exactness as to time-keeping and traffic, as also by regular, rapid and comfortable navigation, by the illumination of the coasts by light-houses, so as to satisfy maritime and commercial interests. It may be asserted boldly that a country well provided with means of communication and readily accessible to foreigners, will easily become peopled and be opened up by private initiative almost without official aid."

Could Brazil undertake all at once the solution of this problem? It is enough to consider its vast area to see that that would be impossible; but we ought to continue with a

strong hand the work undertaken by the present government, persevering in it without weakness and without interruption, as we ought also to persuade and animate and assist the governments of the States and *municípios* to open and keep up district roads and highways. Further, it is necessary to have faith:

If for some years the policy of the country be as I have indicated, it is certain that private initiative and foreign capital will be encouraged and, confident as to the future, will extend across our highlands the steel rails which are the pioneers of population, wealth and progress.

Representative. Does your Ex. think, then, that the peopling of the soil will be done by these indirect means only?

Dr. Bernardino de Campos. Principally, not exclusively. There have to be considered, in this matter, the peopling, properly speaking, and the providing of labour for the plantations. I am, first of all, certain that the Brazilian, who today lives in indolence, will set to work, once we rescue him from the ignorance in which he lies buried, when we give him other ideals, when we withdraw the curtain which separates him from true happiness, and when we furnish him with the elements to obtain it.

That race, strong, valiant, accustomed to the climate, knowing the soil, once it is redeemed from ignorance, will transform this country.

Evidently, however, it is necessary that work should not be a punishment to them; both for them and for the foreigners whom we attract, it should merely be the condition of prosperity and well-being.

I see no reason why the agricultural labourer should not be guaranteed the receipt of his wages by legislation. The great planters, who subsist and probably will subsist for many years, without prejudice to the small farmers, require paid labour; and to the labourer, natural or foreign, guarantees ought to be given. I was myself the author of a project in that sense, which is today a law of the country and could, without inconvenience, be revised if advisable. Colonization should be directed along the railways and navigable rivers, dividing the land into lots which would be delivered alternately to the colonist, national or foreign, furnishing him, at same time, the material indispensable for his industry and his maintenance until the first crop. The direction of this service should fall to the Ministry of agriculture, which would act in agreement with the States.

As you see, the whole economic problem can only be met by solutions resting on this basis: agreement and cooperation between the Union and the States.

The Union will consider the problem under its most generic aspect, furnishing information for the guidance of the States which, if left to themselves, without this Central direction, would run the risk of exhausting themselves in sacrifices which would become unnecessarily onerous, because they would be made by many at the same time: the intervention of the Union informs, guides, aids efficaciously, supports. It is not a guardianship: it is an assistance.

Representative. Then the protection spoken of by your Ex. is embodied in these measures?

Dr. Bernardino de Campos. Without these measures, protection is an empty word. Blindly, without putting any of these measures in practice, to take the Customs tariff and double or triple the taxes, would be the work of a madman: the State would become bankrupt and the life of the people would become unbearable. To protect is to foresee, to direct, to assist, to defend labour; a vast work, complex and difficult, which does not constitute a programme of government, because it is more than that: it is above all to carry it out that the government exists.

To prepare the present generation for working, furnishing them the necessary implements; to prepare future generations by instruction and education; to open roads, to create railways and lines of navigation; to reduce freights and the general expenses of transport, all that is protection. The word has come, however, to bear another meaning; it is necessary that the Customs tariff should secure the internal market for articles of national production, and secure it with decision, without vacillations nor sliding back. Evidently, we should be rolling perpetually the rock of Sisyphus if, while the States were endeavouring to produce the articles of greatest consumption, we maintained the open door for similar articles of foreign production, which, thanks to the variability of the currency, to a better commercial and transport organization, or to social conditions, under which labour is badly paid, would erode the internal production, sowing disillusion and hopelessness, destroying our energies and condemning us to eternal misery. The Customs tariff is the great instrument of defence and of propulsion towards progress: this instrument should be utilized with caution; but with firmness. Before all, it is necessary that the country should produce everything that is indispensable to its aliment: the markets should, at once, so far as possible, be defended from foreign competition as regards food stuffs. Only a short time ago, President Roosevelt noted with pride that the United States were the country where the people had the most abundant and the cheapest food, and he affirmed that their industrial development was due, chiefly, to that abundance: it is a lesson and a suggestion to which we cannot be indifferent, for that situation is the outcome of intelligent and vigilant protection, embodied in opportune and efficacious intervention.

On the other hand, we must consider the urgent necessity of promoting the development of our industries, a location which has no other real signification than the intelligent utilization of our natural riches. We cannot continue to slumber care-

lessly and impreviently on them, reduced to the condition of mere commercial emporiums and suffering the reproach of being too incapable or impotent to turn these riches to account. It is unnecessary to point out to you at present the immense field of action which presents itself to the Government; all feel it, all know it, all are anxious to see it taken advantage of, in what way, however, is this action to make itself felt? It is impossible to say in general terms. Each industry to create, to protect or to defend, is a problem. There will be many to whom it seems sufficient to guarantee the markets, many others to whom the system of premiums seems sufficient; but there are others who call for the direct action of the government to encourage more directly the exploitation, and assure them a market for their products. Iron and coal are abundant in the country; but they are in the bowels of the earth, like hidden treasure. To put them into activity is to create a new world. How many industries would arise therefrom! With our timber and our iron, the construction of railway material and of vessels rendered easy, how far would Brazil leap towards progress, if the State were vigilant in preventing useless sacrifices and misdirected efforts?

Representative. But commerce...

Dr. Bernardino de Campos. Commerce can only profit by the productive development of the country. Commerce itself is an indispensable element of that development. Agriculture cultivates the soil, industries make use of its products: it is only commerce that valorises them. That the exchange is carried on between products of the country from one region to another or between foreign products, in what does that alter the situation? Further, it is clear that there will always be importation, whatever, or however great, the internal production may be, for no country ever produced everything that it requires to the point of dispensing with outside cooperation. The assistance which commerce requires, beyond that called for by industry and agriculture, is summed up in the organization of credit, in the fixing of the value of the currency, in the stability and safety of its transactions.

As you see, there are no questions, properly speaking, of classes: the problem is one only, and interests all the classes which compose the Nation. Let us solve it, and all will be well: agriculture, commerce, industry and the labouring classes.

The economic problem and the social problem are the same, and the combination of measures which I indicate will afford a solution for both.

Representative. But the realization of that combination of measures will certainly increase the public expenditure.

Dr. Bernardino de Campos. And to avoid augmenting the public expenditure, shall we not increase, improve, and raise the value of production?

It is a vicious circle, which strangles, suffocates and kills us.

Not the increase in the public expenditure, which deadens and injures the nation, is that of unproductive and sumptuous expenditure. Let these be implacably reduced, let us carry economy in this direction to the point of sordidness, and with what we shall thereby gain we shall have the needful endow the country with the organization necessary to its progress. Further, it should not be thought that everything should be, or can be, done by the State: once the general lines of the work are laid down and the firm direction of the government is felt, capital will flow in, because the adaptation of a new and naturally rich region to the conditions of modern life is an undertaking which attracts and tempts capital. You have only to look around to see the truth of this proposition: it is sufficient that the actual government should show this opening to practical activity, for capital to make its appearance for a number of material improvements, whose necessity, long felt, nobody thought of satisfying because no government interested itself in them.

Representative. Your Ex. referred to the fixedness of the value of the currency as an indispensable condition of progress.

Dr. Bernardino de Campos. I said nothing new in that. For eight years have successive governments been working to arrive at that result: it is indispensable to persevere in the policy which has given such excellent fruits. The redemption of the paper money should be continued without interruption: the guarantee fund in gold might be strengthened and more rapidly increased by the appropriating of other sources of revenue or—as a more minute study than I have elements for at present might shew to be advantageous—by augmenting the percentage of the customs payable in gold and assigning a larger part to that fund.

Reducing progressively the mass of the currency and progressively increasing our gold reserves, the valorization of the paper money would go on progressing and conversion would be before long a fact. It is futile to believe that conversion can depend on the will of the government; it will be merely the exact expression of the situation of the country. The government recognizes and declares it; it does not decree it. The action of the government, consequently, should converge, not to give an appearance of practicability to combinations which may appear feasible, although in reality ruinous, but to direct the situation in such a way that, within the shortest term possible, the currency may have attained its legal value.

On this point, I have the same opinion as animated me when I countersigned as finance minister the laws and financial decrees of 1896 and 1897, which laid the foundations of the policy which has been followed till now. I am profoundly convinced that, within a much shorter period than is supposed, we shall have attained the cherished ideal and that we shall arrive at the emission of a currency, convertible at sight, in gold,

without having recourse to the great financial operations which have everywhere rendered the effects of this reform precarious. Do not suppose that I consider it as a secondary matter. The three principal milestones of our progress may said to be the abolition of slavery, the abolition of the monarchy, and the abolition of forced currency. The hour has arrived to reach this third stage, but merely to desire it is not to get it. In political economy, decrees are vain; only facts prevail. It is not words that are wanted, but deeds. Increase, develop and valorize the production, redeem inflexibly the paper money, strengthen the guarantee funds—these are, in general lines, what is necessary to hasten that reform.

Besides this, we must, at once organize credit, and, for that, it is of first importance to reorganize and strengthen the Bank of the Republic, to which, without inconvenience but rather with real advantage to commerce and the country, might be entrusted the right of emission of gold notes, up to a fixed limit, which would circulate between the bank, the custom houses and the Treasury, for payment of the customs duties collected in gold.

We might adopt, perhaps, a mechanism similar to that of the *Caixa de Conversão*, established in the Argentine republic; accounts current for deposits in gold might be established. In proportion as the mass of paper currency was reduced the rate of exchange would register its valorization; in proportion as our products increased in quality and value and exceeded external expenditure, gold would flow into the country and the corresponding emission of notes would go to satisfy the necessities of the circulation.

Do not let us fear the aphorism which is current as a dogma: "*bad money expels the good*".

There is nothing *absolutely* true and, especially in this matter, all absolute propositions are false.

Representative. Your Ex. spoke of strengthening the Bank of the Republic.

Dr. Bernardino de Campos. I do not know to what reform it is going to be subject: but I am certain that it will follow those lines. I know that the ideas of the men who compose the present government are the same as mine.

The Bank of the Republic is naturally destined to be the central organ of our Credit system: around it private initiative will create other banks for commerce; and the agricultural interest, at last convinced that in cooperation it will find its best support, will organize rural banks for agricultural credit, by which acceptances, such as the "warrants", will be discounted.

Representative. Does your Ex. consider it necessary to organize agricultural credit?

Again on this point, as in almost all those we have referred to, my opinions have not changed. I treated the subject exhaustively in my report of 1897, p. 178 to the end. I think that it is indispensable to organize agricultural credit; and had I the choosing of a system, I should frankly prefer the German. I think that it is indispensable to give value to the mortgage bills (*letras hypothecarias*), to give them the efficiency which they have never, for well known reasons, enjoyed.

I think that the system of warrants, as conceived in the regulations I had occasion to issue, can at once render inestimable services to agriculture. The assistance that agriculture requires is, above all, the organization of credit. I am convinced that so soon as a great central bank ensures discount of bills issued by the rural banks, similar to the Reiffensin banks, our smaller cultivators will become convinced of their efficacy, and that they will be started to the general advantage. Be that as it may, this is a matter of capital importance, on which should converge the attention of the authorities.

Neither can they be indifferent to the situation of the planters—of coffee, sugar etc. The measures they require are different: their problem consists in obtaining the valorization of their product. I think that the intervention of the State, in this problem is indispensable; no country in the world is today indifferent to a question of such importance or leaves to private initiative what it has been clearly demonstrated as impotent to deal with. Everyone comprehends that if the planters and others interested in the article could have, unaided, conjured the crisis, they would long ere this have done so. If, notwithstanding their efforts, investigations, and Congresses held for that end, they have not found the solution of the problem, it is because that solution calls for an element which has been wanting: the intervention and support of the State. This must be given. Directly by itself, by whatever means in its power, in accordance with the States on such points as this is required, the Union ought to cooperate in reorganizing the commerce in coffee, watch over its sale, fix its types, fiscalize and correct the statistics, take measures as to shipment, organize the necessary credit, open new markets, augment the present consumption by commercial treaties and by reciprocal and efficacious concessions.

Representative. Does not your Ex. consider that the States would do well, on their side, to cooperate by a reduction of the export tax?

Dr. Bernardino de Campos. The export tax, I do not need to tell you, is anti-economic and iniquitous.

In that respect, what should be reformed is our whole system of taxation which, I do not hesitate to say, constitutes one of the greatest impediments to our progress.

Indirect taxation has had its day, but this reform is so serious, the subject is so delicate, that it is difficult, when one has not the direct responsibility of government and cannot consequently appreciate the situation with perfect knowledge of

the question, to emit an opinion. Theoretically, as the complement of the organization of the country on the bases which I have here exposed to you, the ideal would be for the Union to substitute indirect by direct taxation, by the progressive income tax, proposed in 1898. It might perhaps, be possible to cede the consumption tax to the States, in proportion as, and with the condition that, they abolished the export duties, which they cannot do without an equivalent, which evidently they will not find in the territorial tax, only possible and on a very reduced scale in the civilized maritime zones, and not only iniquitous but impracticable in the interior.

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Representative. Your Ex., has certainly followed with interest the campaign which has been made in favour of the reorganization of our military forces. What is your opinion?

Dr. Bernardino de Campos. The military problem, in my opinion, calls for urgent solution as the one that most vitally affects the nation. There is only one excuse for the condition we have arrived at: which is that up till now we have lived in constant disturbance and that our army and navy suffer the direct consequences of these conflicts.

It is urgent, however, to put this right without hesitation. The present government laid the foundations of the reforms; it is necessary that there should be no delay in completing them. We do not require to organize ourselves as a military nation; but our own dignity absolutely demands that we should have the nucleus of an army, supported by a strong and numerous reserve, well disciplined, well instructed, well armed, capable at a given moment of being rapidly mobilized and with the necessary comfort. The army must be completely reorganized; it is not a question merely of augmenting its effective, leaving it with the same archaic organization as today, with the same discomfort in the barracks, with the same scanty armament, unprovided with everything which constitutes the indispensable elements of modern warfare. It is necessary to give to it the importance, the respect and the influence which it claims and ought to have. It is necessary that every Brazilian, on attaining his majority, should enter the ranks and receive military education and instruction, and it is clear that for this it is ne-

cessary to endow the army with all the material elements necessary to the administering of such instruction.

This is a fundamental reform and, whatever be the sacrifice which it represents, there must be no hesitation in effecting it.

The Nation requires to have full confidence in its defensive elements.

The same reasons hold good for the reorganization of the navy. It is evident that we cannot continue in the present way, however much a policy of expansion may be contrary to our intentions and designs.

Bordering on the Atlantic, this country requires to exercise a real influence on its waters; we require to protect our commerce efficiently; we require to extend and strengthen our international relations; we require to effectively defend our coasts. The reorganization of the navy, like that of the army, will include not only the acquisition of naval and war material, but also the incorporation and instruction of the forces, the repairing and completion of our necessary defences, the construction of maritime forts, everything, finally, which contributes, not to Brazil's having the appearance of arming itself as a menace to anyone, but that the people may have confidence and certainty that so far as is possible the national defence is assured.

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Representative. One other question, and there will only remain for me to thank your Ex. for your exceeding kindness in giving me your attention for so long: in relation to international policy, what is your Excy's opinion?

Dr. Bernardino de Campos. That of all Brazilians: that the Nation can only be grateful to the actual government for the increased importance it has known how to gain for Brazil in the comity of nations. This policy has given us new lustre, augmented our prestige, created new friendships, dispelled ancient prejudices and indicated to Brazil the role and the functions which she must perform on this Continent: as the leader of progress and the defender of peace.

I cannot see how more could have been accomplished.

(From *O Paiz*).

