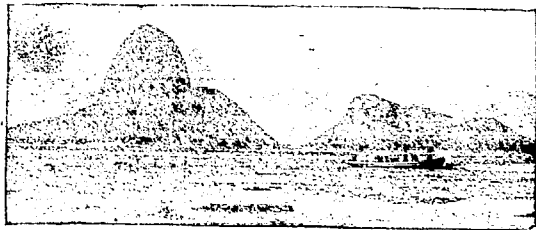


The Brazilian



Review

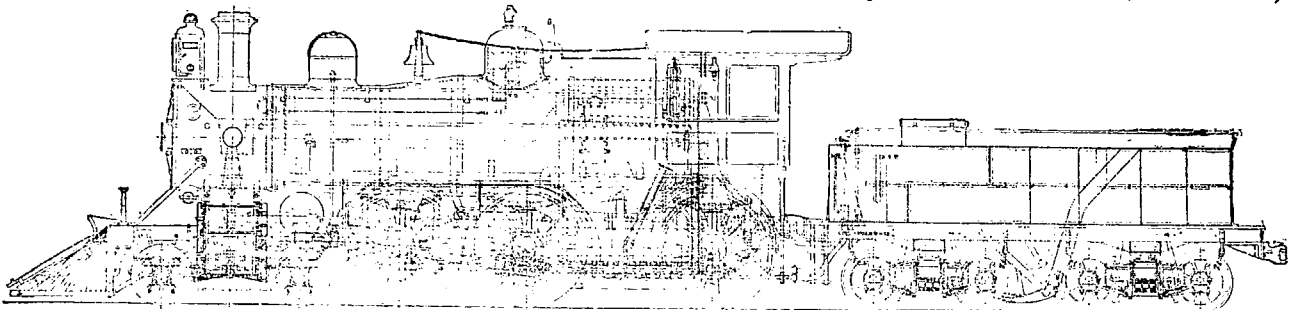
A WEEKLY RECORD OF TRADE AND FINANCE

VOL. VIII

RIO DE JANEIRO, TUESDAY, SEPTEMBER 5TH, 1905

No. 36

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The Brazilian Review



VOL. VIII

RIO DE JANEIRO, TUESDAY, SEPTEMBER 5TH, 1905

No. 36

Offices: RUA DO ROSARIO No. 6

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Managing Editor—MR. J. P. WILEMAN

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DATE	NAME	COMPANY	DESTINATION
FOR EUROPE			
Sept. 5	<i>Oratia</i>	P. S. N. C.	Liverpool and Ports
6	<i>Magellan</i>	Messageries Maritimes	Bordeaux (Direct)
9	<i>Ionie</i>	Shaw Savill	Plymouth
13	<i>Danube</i>	Royal Mail	Southampton
20	<i>Cordillere</i>	Messageries Maritimes	Bordeaux and Ports
21	<i>Orlia</i>	P. S. N. C.	Liverpool (Direct)
FOR THE RIVER PLATE AND PACIFIC			
Sept. 6	<i>Panamá</i>	P. S. N. C.	B. A. and West Coast.
11	<i>Clyde</i>	Royal Mail	B. A.
18	<i>Atlantique</i>	Messageries Maritimes	B. A.
19	<i>Orissa</i>	P. S. N. C.	B. A. and West Coast
FOR UNITED STATES			
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22	<i>Tintoretto</i>	Lampport & Holt	New York

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Simon Stadtmauer and Manoel José Machado, are no longer employed in "The Brazilian Review".

Notes

Politics. Affonso Penna in lieu of Bernardino was bitter, but Nilo for Vice-President — that indeed is the unkindest cut of all. Nilo, in fact, is the antithesis of all the Cattete stands for. The Cattete believes in age; he is young. Nilo believes in paying our way without borrowing; the Cattete wallows in loans. The Cattete admires Avenues; Nilo believes they should be paid for by ourselves and not by our foreign creditors and, if he has a chance, will put a stop to them.

So, haste, Dr. Passos, pull down all you can! Hurry, Dr. Frontin, pave and plant your avenues! For the day cometh when there shall be no more pulling down nor planting nor pruning, because there is no more money. Affonso Penna, who learned wisdom at Bello Horizonte, knows that even "crises of progress" must be paid for, and Nilo will back him all he knows, and refuse to make more loans to fill one hole up with the contents of another.

— *O fortunati nimium* we, if, when the bill falls due, there are men like Nilo at the helm to steer the good ship into safety. At one time it looked not so, and we were threatened with a second edition of loans, avenues and what-not, that would have put things beyond repair. So let us be grateful for small mercies and look out for hard times, unless the fates should be kind and temper the wind to the shorn lambs by making Coffee go up.

— It is decided that Nilo Peganha is to be the candidate of the coalition. The President of the Republic has refused to interfere, believing that the candidate for the Presidency should be left to choose the colleague who will have to work with him

during his term of office. Dr. Affonso Penna has signified his entire approval of Dr. Nilo Peganha and has personally visited him and, we understand, they are entirely agreed on the main points of the policy to be followed.

In accepting the office of Vice-President, Dr. Nilo Peganha makes a real sacrifice. He gives up the active direction of the affairs of the State that he has rescued from bankruptcy to assume a semi-passive *role* that cannot be agreeable to a man of his energy and capacity. That he will do all in his power to be of real assistance to the new Executive, we do not question. The position of semi-opposition, into which *vices* so easily and naturally fall, will, we may be sure, not be imitated by him. He will try to be a living force not so much in politics as in the economic development of the country.

— The candidature of Dr. Seabra in opposition to that of Dr. Nilo Peganha, which the dominant faction at S. Paulo together with Rosa e Silva, seemed inclined to adopt, has been abandoned. Indeed, it is impracticable, all the most important elements having already adopted the Affonso Penna and Nilo Peganha ticket, except the senators and deputies of Sta. Catharina, who, true to their first love, still remain out in the cold.

— Since we wrote the above a meeting is reported to have taken place at the Cattete, at which it was resolved to regard the determination of the politicians favouring Affonso Penna and Nilo Peganha to dispense with a convention, for choice of a candidate for Vice-President, as an act of hostility to the executive.

This, it is explained, must not be interpreted as disapproval of either of the candidates personally, but merely of the way in which "election" was effected. Neither the deputies nor senators whose term is now expiring are, it is pretended, competent to determine the candidates for their respective States.

The action of certain members of the Senate in promoting candidatures was also objected to, on the ground that the Senate is the tribunal by which elections must ultimately be decided.

The objections seem to us to be childish. Under existing conditions, deputies, senators, and delegates to convention are, or would be, practically nominated by the Governors of their respective States. Their choice does not express the will or wish of the people, but that of the Governors. Conventions or no conventions, the result would, therefore, be the same once the different Governors decided to support any particular ticket. As regards the charge of undue influence against Senators, that is mere *tu quoque*, a reprisal for a countercharge against the Executive said to have been incorporated in the manifest about to be issued by the supporters of Affonso Penna and Nilo Peganha.

— The whole system of "election" of representatives and presidents is vicious, and, until there is some symptom of a desire to return to more healthy and constitutional practices, it is but waste of time to discuss its morality.

— In reprisal for the action of what we suppose must now be regarded as the "majority", the Government following threatens to block the amnesty bill by absenting themselves and preventing formation of a "quorum" until a previous bill, approving all acts of the Executive during the state of siege, is approved.

— The amnesty bill passed its first reading in the Chambers on Wednesday. "The bill", said the leader, "is an act of generous clemency, which will put a stop to trials that, in consequence of defects of procedure, threaten to be interminable".

"It is," added Irineu Machado, imposed by the will of the nation." What Dr. Carlos Peixoto said is very true. Unless something is done, the trial of Lauro Sodré threatens to go on for ever, but whether the country at large cares a rap about it, or anything else except being left alone and allowed to labour as little as needful and pay as few taxes as possible, we question. In favour of the bill 115 deputies voted and only 5 against it.

— A correspondent writing from S. Paulo says.

"It is here agreed that Dr. Campos Salles will, under Affonso Penna's administration, exercise a powerful influence in the affairs of the Nation, and a predominant and decisive influence in those of his own State, S. Paulo.



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The Monetary Policy in reality is the most important of all the issues the coming administration will have to deal with.

We trust, therefore, that in the manifest now in preparation Dr. Afonso Penna will not bind himself by any hard and fast engagement to a policy of continuous appreciation of the gold value of the currency.

The aim and object of this and the last administration was to raise foreign exchanges.

The former effected it by withdrawing currency, thus assuring at the same time the maintenance of the enhanced value.

The present Government has, apparently, cared only how high exchange may be boosted by drawing for foreign loans and capital without taking so far any serious steps to maintain it afterwards.

The higher exchange goes, the more difficult will it be to maintain it. There is only one way of permanent effect—that is to withdraw paper money and burn it until equilibrium between the demand for bills, constituted by the volume of the currency, and the supply is determined.

Where, however, is the money to come from to burn 50, 60, or perhaps 100,000 *contos*?

But if it be not done, then a fall is sooner or latter inevitable, and exchange will drop to the level consistent with the real economic conditions of the country, i. e., the cost of production which, in its turn, is determined by the prices of labour, commodities etc.

When exchange has reached that level it will stop and, perhaps, tend to go up again, when all the trouble will begin over again.

The whole history of Brazil shows that exchange has never been maintained at *par* except for a year or two, and this has always been followed by violent reaction.

Should exchange fall again, as it will if paper money is not liberally withdrawn, it will become the duty of the coming Government to decide whether this state of financial and economic see-saw is to be indefinitely prolonged or the whether examples of India, Japan and Argentina are to be imitated and the economic conditions of this great country be put on a permanently stable basis by reduction of *par* and conversion of the currency.

It is for such reasons that we trust Dr. Afonso Penna will make no rash promises as regards exchange, that may turn out later on to be impracticable.

The American Ambassador. Mr. David Thompson, will shortly leave, to take up a similar position in Mexico, to which he has been removed, and his place here, it is said, will be taken by Mr. Loomis, ex-acting-Secretary of State, whose proceedings in Venezuela were so severely criticized by part of the press of the United States.

Appropos of the weakness of some American diplomats for little deals in the countries they are accredited to, *The Nation*, of New York, of 27th July, brings the following:—

“What is there in the air of Caracas that sets so many United States officials wild to make money? We had a little while ago the evidence of the way in which the President's friend Loomis, when Minister there, was hot after a little matter of one-seventh of \$10,000,000 as contingent fee, and now comes a friend of the friend, Consular Agent Dolge. The story of his hopeless mixing up of official duty and private money-making would seem incredible had not Mr. Dolge himself certified to its truth. His more than infantile innocence about the whole affair is the most amazing part. “Yes, yes; I am putting the United States coat-of-arms on my laundry; I am dabbling in this business and pushing that concession, but what of it? I admit it all, but what next?” What ought to come next is action by the State Department. It is not strange that, after the Loomis coat of whitewash, we should have Uncle Sam's coat-of-arms on a Venezuelan laundry, or any other scheme of an official “on the make”; but surely the authorities must see that this kind of thing cannot go on. Mr. Dolge has made it ridiculous.”

We do not know if Brazil will object to white-washed Ambassadors, but, with people like that, forewarned is forearmed.

Nor is it only the air of Caracas that affects United States officials, as *The Nation* laments. Petropolis is sometimes just as bad, if the stories of former Ministers having interested themselves in concessions, loans and ironclads are to be credited. At present, Americans are very active in pushing commerce and contracts and a little judicious pressure from an experienced hand, like Loomis, might be of immense assistance.

Mr. Thompson did, no doubt, what he could, going so far as to take even Canadians under the wing of his protection. But to really protect anyone, one must have a direct and personal interest in the affair, such as we understand the present Ambassador, Mr. Thompson, has imprudently failed to acquire.

A New Departure. Tired of reading endless dry-as-dust reports, Mark Twain once recommended the Secretary of the Treasury as a diversion to introduce a few conundrums.

In humble imitation we have made arrangements to publish every week an *original* short story written for the *Review* from the perusal of which, we expect, our readers will turn with renewed zest to our invaluable statistics and cease from grumbling at having to pay 60\$000 *per annum* here whilst in London they get it for 45\$000, (especially when they hear that should exchange keep up we intend to put them on the same footing by raising the price of subscription abroad from £3 even to £4. As, however, we fully anticipate a fall by next March it is not worth talking about until then; but, if by our next birthday, on 1st. March, exchange is not going down again, however much subscribers abroad may kick, up prices will have to go, because, with expenses on a twelve-penny and revenue on an eighteen-penny basis, ends cannot be made to meet for more than three months at a time.

It would be funny, were it not painful, for someone to note the tricks exchange has played with subscriptions. In 1898, when we started, exchange stood at 6 1/2 and the £ was worth nearly 37\$000.

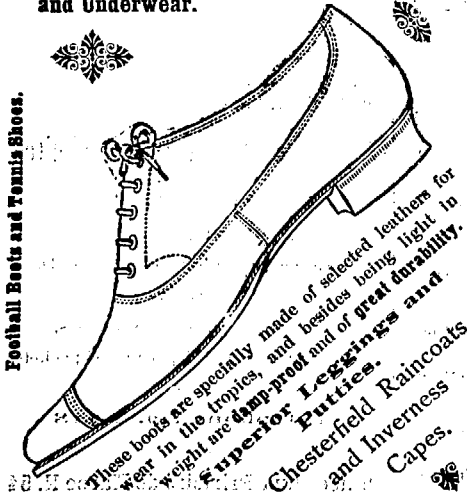
Subscriptions then ruled 48\$000 for Brazil and £2 abroad, instead of £1.6, as in all parity they should have been. But £2 was the rule with *Bio Newsaces* and we had to conform and so spoil the foreigner.

But Time the leveller brought revenge. In 1900, exchange had gone up to 7d, and £2 no longer represented 74\$000 but only 68\$500, and so perforce the home subscription was raised to 60\$000, to make up for it, but Brazilian subscribers still paid only £1.7 whilst abroad they went on paying a round £2. So it went on, exchange rising all the time until in 1902 we got tired of it and made all subscriptions payable in currency, fixing exchange at 12d. That meant £3 all round. Then came a crisis unconnected with exchange and subscriptions were raised to 100\$000 here and £5 abroad. But subscribers kicked, and it was reduced again in 1904 to 60\$000 and £3, at which it now stands and will continue to stand, if only exchange will go down enough. To reduce currency prices is not to be thought of; no one ever reduces anything in this country. So there will be no remedy but to put up sterling subscriptions to parity, which at 18d. should be £1.10, but, out of consideration for our subscribers' feelings, we will call it a round £1 and hope they will like it.

The ups and downs of our subscription rates are typical of the beautiful uncertainty that pervades business in this country, where you may be passing rich one day on fifty pounds a year, and struggling in poverty the next on a thousand.

The straits that unhappy people with gold salaries like Bank clerks, Ministers Plenipotentiary and Consuls must be put to now that £1 fetches only 13\$300, when before it fetched forty, must be terrible and ought to be taken into consideration. Ministers and Consuls have their remedy, they take leave, but clerks have only to suffer or take French leave without salary.

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The effect of Exchange on Revenue.

Referring to our objections to the idea, so prevalent in Europe, that revenues here are influenced by exchange or that the financial situation of the Government can be really affected by it, our contemporary *Le Brésil*, of Paris, says that it is quite true that the 20% of the customs duties payable in gold are sufficient to cover all external obligations and that on that account Government has not to trouble itself about exchange, but he continues "high exchange stimulates imports and consequently revenues and therefore credit too, of which it is here regarded as the standard; when exchange goes up, quotations of our bonds go up too, because bankers know that the State is more solvent."

There is, of course, something in that, seeing that even if a higher rate of exchange does not enhance the value of the gold revenue assigned for the service of the foreign debt, it undoubtedly does that of all other revenues.

If, however, it enhances the cost of government in precisely a similar degree, i. e. raises the sterling value of the part of expenditure discharged in currency, we cannot see how a rise or fall of exchange in reality affects solvency at all.

So long as the gold moiety of revenue is enough and more than enough to cover all expenditure abroad, it does not in reality matter whether exchange goes up or down so far as our ability to meet foreign engagements is concerned.

When, before 1898, all our taxes were discharged in currency, it was otherwise. Then the rise of exchange affected not part but the whole of our Revenue and consequently did improve our conditions of solvency, and the bonds went up and down in sympathy with exchange.

The Stock Exchanges, however, do not know quite everything, and, in all probability, have yet to learn that 20% of the Customs revenue is paid in gold and is unaffected by oscillations of exchange, and when they find that out, Exchange will cease to affect quotations of gold securities.

Sugar and Cotton entries at Pernambuco for the month of July were as follows:—

Sugar.....	bags.	20,557
Cotton.....	bales	17,336

An International Exhibition will be held at Milan in 1906. A circular just received states that none of the South American countries having officially signified their intention of assisting at the exhibition, the consuls of those countries resident at Milan have constituted a committee under the designation of the *Comité Consular de la America Latina*, which will secure space for intending exhibitors and attend to enquiries. The address is 7, Piazza Bironeo — Milan.

The Italian factor is so powerful in the formation of South American peoples as to demand particular attention. The main hope of quickly populating these countries lies with Italy; and it would have been thought that the South American governments would have done all in their power to utilize this exhibition in Italy to the advantage of their industries, trade and immigration. But, on the contrary, not a single Central or South American Government has responded to the invitation.

WORLD'S PRODUCTION OF MANGANESE ORE

FOR THE FIRST HALF OF YEARS 1904 AND 1905

Origin	DESTINATION			
	Europe	United States	1905 Jan.-June	1904 Jan.-June
Caucasus.....	154,435 tons	8,600 tons	163,035 tons	217,047 tons
South Russia...	8,380 "	—	8,380 "	—
Turkey.....	8,760 "	—	8,760 "	13,768 "
Greece.....	3,350 "	—	3,350 "	2,000 "
Spain.....	18,418 "	—	18,418 "	16,328 "
India (Madras)...	6,000 "	16,500 "	22,500 "	35,050 "
India (central)...	71,400 "	47,100 "	118,500 "	43,792 "
Japan.....	1,002 "	2,742 "	3,744 "	720 "
Java.....	521 "	—	521 "	—
Brazil.....	86,250 "	61,440 "	147,690 "	81,070 "
North Wales...	6,238 "	—	6,238 "	3,795 "
	363,253 "	136,882 "	400,035 "	414,480 "
1904 1st Half...	405,386 "	0,103 "		

The foregoing table, (for which we are indebted to Messrs. Macqueen Bros of London), shows that, notwithstanding the generally unremunerative condition of the iron and steel industry, the consumption of manganese ore is on the increase, the "arrivals" for the first half of 1905 constituting a record.

By reason of the continued local disturbances in the Caucasus, the export of ore from that part continues to decrease, but it is interesting to note that Brazil, despite high exchange and deficient railway transport, holds second place.

India continues to export large quantities of manganese ore, and will eventually take the position held by Brazil, unless the officials of the Central Railway make a serious attempt to carry the total output from the mines. Were this done, the exports from Brazil would double, and the State of Minas Geraes would become the principal manganese producer of the world.

Rubber and Coffee shipments for the crops ended June 30th and Estimate for 1905/06

	RUBBER		COFFEE		BOTH VALUE £
	Quantity tons	Value f. o. b. £	Quantity bags	Value f. o. b. £	
1901/02.....	28,470,469	7,726,000	14,593,812	23,526,396	31,252,396
1902/03.....	28,240,367	8,131,000	12,379,181	18,452,561	26,583,561
1903/04.....	28,552,744	8,786,000	10,318,522	17,007,122	25,793,122
1904/05.....	30,762,928	12,447,000	9,640,367	19,216,632	31,663,632
		33,120,000	46,871,923	78,233,171	116,352,171

Exports of purely Brazilian rubber and coffee for the season 1904/05 have therefore yielded £4,899,880 more than the previous season and exceeded our forecast, made last year, by nearly £900,000.

Average f. o. b. values for the last four crops were as follows:—

	Coffee (per bag)	Rubber (per ton)
1901/1902.....	£1.61	£271.7
1902/1903.....	1.48	288.4
1903/1904.....	1.64	342.7
1904/1905.....	2.00	404.7

On the basis, however, of the prices for the first half year of 1905, should quantities be the same as the last crop, the current one should yield as follows:—

Rubber 30,753 tons at £113.....	£12,702,000
Coffee 9,640,000 bags at £2.....	19,280,000
	£31,982,000

In all probability, however, quantities will be larger than those in 1904/05 crop and unless a reaction should occur in prices, Rubber and Coffee may be looked to yield over £32,000,000 for the current crop, 1905/1906.

Imports of Cotton Textiles and Jute from Great Britain 7 MONTHS — JANUARY TO JULY

DESCRIPTION	1903	1904	1905
Cotton Piece goods grey or unbleached.....	2,158,600 yds	4,231,200	2,080,200
do. bleached.....	20,721,500	15,813,900	19,321,100
do. printed.....	81,727,000	26,802,800	24,228,200
do. dyed.....	26,085,000	24,878,100	22,582,000
do. mixed.....	20,722,100 yds	71,216,000	67,161,500
Value.....	£ 880,303	£ 5,457,678	£ 799,800
Jute Yarn.....	17,039,500 lbs	11,708,900	12,935,100
Jute manufactures: Piece goods of all kinds.....	307,000 yds	185,900	270,600

"Superaris" As he turned his glass upside down, empty, he said "THAT'S" how I like Superaris.

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COMMERCIAL GUIDE

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

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

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

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" " potash.....	0,0051
" " lime.....	0,1056
" " magnesia....	0,1050
" " lithia.....	traces
" " iron.....	0,0009
Sulphate of soda.....	0,0364
Chlorate of sodium.....	0,0198
Silicic.....	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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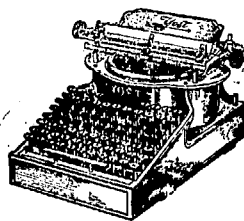
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TRADE IN THE NORTH OF BRAZIL

BY MR. LINCOLN HUTCHINSON

Lincoln Hutchinson, one of the special agents of the department of commerce and labor, who was assigned to investigate trade conditions in South America, started for his field of labor several weeks ago, and has been in Brazil for some time. Mr. Hutchinson writes from Pernambuco that he has been able to gather a considerable amount of commercial information as to the city and the more important portions of the state of which it is the capital and whose name it bears. His letter follows:

"Pernambuco, or Recife, as it is more often called, is a city of some 200,000 inhabitants, and is the capital and only important port of the state of the same name. The total population of the state is about 1,000,000. Of this population, however, only a very small percentage can be regarded as having reached any considerable degree of economic efficiency.

"Climate and lack of incentive have led to extreme indolence; there seems to be no ambition for better things, and there is but small demand, relatively, for foreign goods. The mass of the people want but two or three things which they cannot get at home—a little cotton clothing, some provisions (mostly jerked beef from Argentina), and some kerosene and candles for lighting their huts. All better classes of goods, such as finer textiles, luxuries, machinery, railway material, etc., are in demand only as a result of investment of foreign capital and not because of an extensive native desire for them. Some of the agricultural enterprises of the state and most of the manufacturing and transportation activities are in the hands of foreigners. These enterprises are mostly controlled from the home countries of the investors, and all the more important employes come out from the home country on a rather short contract—from three to five years. Under these circumstances it is not surprising that orders for goods tend to go to the country whose capitalists have made the investments here. One or two examples will suffice to illustrate the point.

ENGLISH CONTROL OF ENTERPRISES

The Great Western Brazilian Railway controls the lion's share of the 500-odd miles of railroad in the state. It is an English concern, and all the cars, locomotives, rails, wheels, coal (where wood is not available), and even the simple furnishings of stations are imported from England. Again in a large sugar mill (one of the largest in Brazil), at Timma, the equipment is almost exclusively of English make, although the assistant manager admitted freely that it was old and out of date and could better be replaced from the United States. In fact, the need for better boilers has become so urgent that preparations are now being made for the installation of one set of American make.

"The same is true of cotton factories, of which there are several flourishing ones in the state. They were established under English influence and partly at least with English capital. English workmen were brought over on contract from Lancashire, English machinery was installed, and even now, although native capital is said to have largely replaced English in the enterprises, the equipment continues to be English.

"Not only is it true that the industrial enterprises of the country thus tend to draw their equipments from Europe, but most of the employes, managers, superintendents, clerks, operatives, etc., naturally desire to purchase goods to which they have been accustomed at home, and American goods, even though they may be better and cheaper, are likely to be overlooked.

NATIVES HAVE FEW NEEDS

"So much for the imports which are demanded by the larger enterprises and the foreign population of the country. When we come to the consideration of the goods demanded by the native population, quite different elements enter to determine the sources from which the supplies are drawn. The needs of the bulk of the people at present are comparatively few beyond the things with which nature supplies them so freely in a climate like this. Their food is of the simplest sort, with little variety; their clothing is very scanty, except on holidays and feast days, when it is the cheapest and the showiest kind, and their other demands are so few as to require only the barest mention—a few household utensils, two or three pots and pans, cheap candlesticks and tin oil lamps, and various little odds and ends of ornaments. The principal foods are raised in the country. They consist mainly of manioc, maize, bananas, and other native fruits. In addition large quantities of jerked beef are consumed, the supplies coming from the more southern states of Brazil and from the River Plate. Wheat flour is used by some of the better classes, but a good deal of the supply now comes from the south, shipments going as far north as Manaus, in the Amazon Valley. The demand for foreign goods is therefore comparatively small, and the principal commercial activity of this entire section is concerned mainly with the export trade in the raw products of the country. The most important of these is sugar the larger part of all that is not consumed in the state being sent to the United States. Cotton and cotton seed are also sent in fair quantities to England, though by far the greater part of the crop is consumed in the textile and oil mills here and in Rio de Janeiro.

"There is one line of foreign goods which is consumed here, and I understand throughout the entire country, in large quantities and by nearly all classes of the population, namely, tinned and other preserved butter. Some of it comes from the United States in kegs and barrels, but by far the larger part is of French origin, being imported in tins of 2 to 4 pounds each. My inquiries as to the reason for this preference for the French product have met with the response that the Americans have not as yet learned to preserve the butter so that it will keep as well in a tropical climate as the French. The small French tins are also more readily salable to people whose poverty precludes their buying a large quantity at a time or using it rapidly. Both of these faults are of a kind that the American producer could easily remedy if he were once made fully aware of their importance.

ADVANTAGES OF OUR COMMERCIAL RIVALS

"The total import trade of this section of Brazil is not large, but, such as it is, it is largely in the hands of the commercial rivals of the United States. With the exception of refined petroleum, patent medicines, and smaller quantities of cordage and twines, bacons and hams (these latter are said to come largely from England and are sold here as York hams), sewing machines, barbed wire and simple agricultural implements (such as hoes, spades and axes) and some leather manufactures such as shoes, our sales may be said to be insignificant. The causes of this condition of affairs are, I believe, not far to seek. It is due, generally speaking, to two most important facts, affecting two quite distinct portions of the population. We have, in the first place, the more effective section of the inhabitants engaged in the larger industries and forming perhaps from 5 to 8 per cent. of the total. These are employes of the enterprises which are dependent in one way or another on foreign capital or are in some way connected with these enterprises. And we have seen that this foreign capital is mostly English or European, and

only to a slight extent American. The imports needed in the industries themselves, as well as the better sorts of goods consumed by all this dependent population, tend to be sought in the home country rather than in the United States. The better class of young men and women among the native population imitate these foreigners and demand the same kinds of food, clothing, ornaments, etc.

AMERICAN GOODS TOO GOOD

"As to the remaining 92 to 95 per cent. of the population, who stand on a very low level of economic efficiency, the cause of their preference for European goods (so far as they require foreign goods at all is, I believe, quite different. The most important single factor seems to be their extreme poverty. They can afford to buy only the cheapest and flimsiest grades of commodities, and most of the American goods offered are too good for them. Some of the articles used here, even in the best hotels (such as candlesticks, forks and spoons, inkstands, etc.), are of a kind which it would be difficult to find even in the poorest homes in the United States. To the mass of the people the price of even these almost worthless articles is prohibitive. Yet these goods are of a kind which it is not an uncommon thing to see in use among the peasantry of Europe, especially in Germany.

The European manufacturer, therefore, has the advantage of a home market for the same classes of articles which he finds in demand here, while the American, if he wants to enter the market here, has to manufacture special grades for which he would have but little sale at home. This is, undoubtedly, a serious handicap, and yet it is one which can easily be overcome if attention is called to it with sufficient emphasis. The grade of goods is so low and the prices to be obtained here, if the articles are only of good appearance, are so high, that the cost of installing plants at home for their manufacture would be insignificant as compared with the profit to be made in the business.

"The first mentioned difficulty also, the handicap resulting from European control of industries here, is not an insuperable one. American capital is looking for foreign investments in a way which was unknown even a decade ago, and the field here is almost unlimited."



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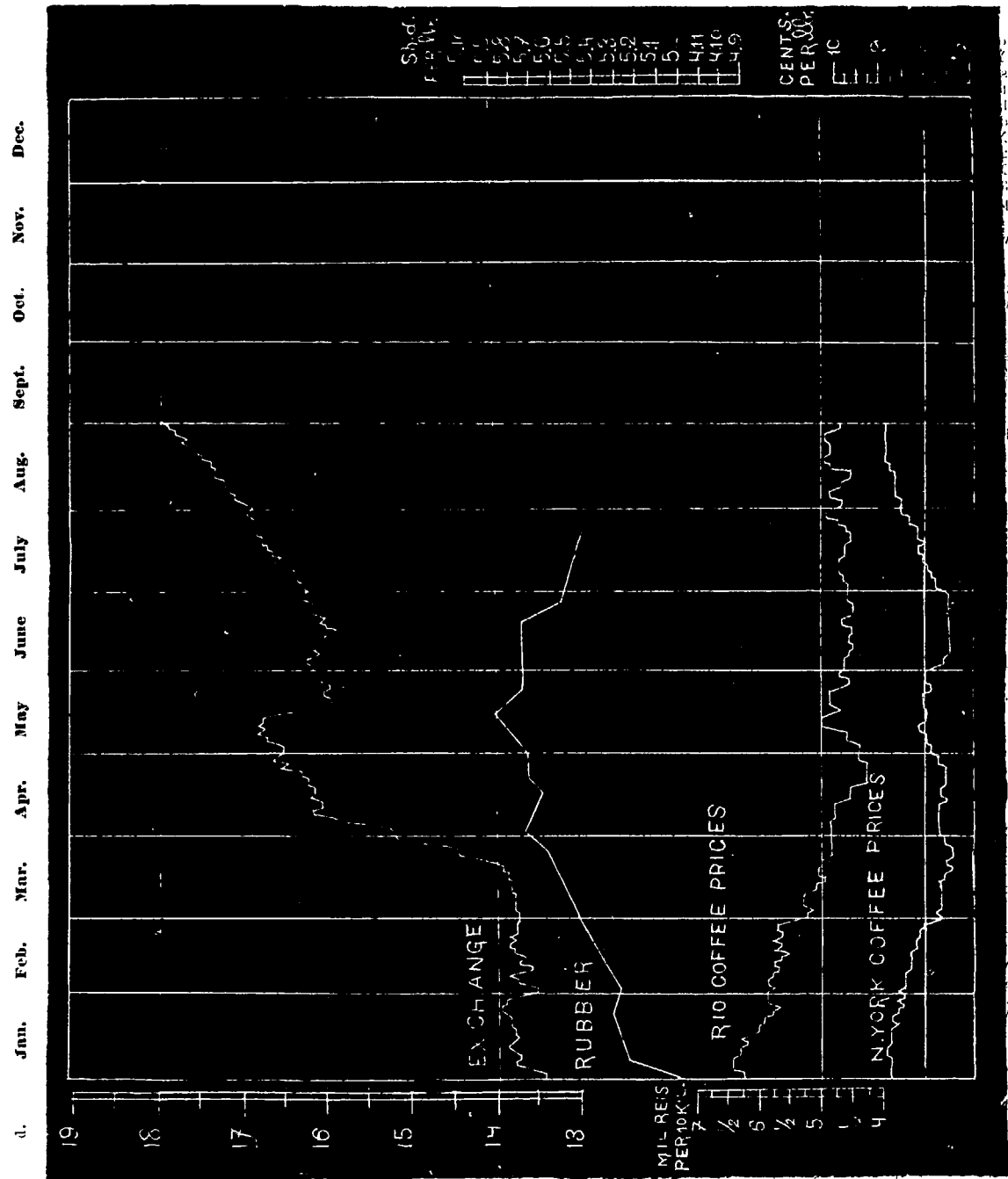
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EXCHANGE, COFFEE AND RUBBER
1st HALF-YEAR, 1905



Exchange—Average Sight Bank Rate on London

	JAN.	FEB.	MAR.	APR.	MAY.	JUNE	1st Half-year
1901....	9 7/8	10 3/4	11 3/4	12 9/16	12 21/32	11 3/8	11 29/64
1902....	11 15/16	11 17/32	11 57/64	11 27/32	12 5/32	11 29/32	11 7/8
1903....	11 5/8	11 37/64	11 59/64	11 13/16	12 9/32	12 7/64	11 39/64
1904....	12 1/32	12 5/32	11 15/16	12 3/16	11 27/32	11 37/64	12 1/16
1905....	13 11/16	13 47/64	14 1/8	15 11/16	16 19/64	16 1/16	15 1/32

Coffee—Average New York Quotations No. 7, spot, per lb.

	JAN.	FEB.	MAR.	APR.	MAY.	JUNE	1st Half-year
1901....	7.16	7.19	7.20	7.43	6.27	6.06	6.70
1902....	6.37	6.72	5.71	5.55	6.45	6.28	5.86
1903....	5.24	5.50	5.57	5.21	5.13	5.13	5.29
1904....	8.08	7.50	6.06	7.14	6.94	7.02	7.32
1905....	8.79	8.04	7.61	7.72	8.00	7.72	8.01

Coffee—Average Rio Quotations No. 7, per 10 kilos

	JAN.	FEB.	MAR.	APR.	MAY.	JUNE	1st Half-year
1901....	6820	68154	68720	48712	48997	48716	6817
1902....	68110	68064	68108	48361	4802	48184	48489
1903....	48357	4 584	48175	48217	48761	48069	48265
1904....	68859	68170	68402	68782	68913	68717	68889
1905....	68006	68712	6 006	48481	48766	48000	68245

Rubber—Average Sterling Quotations, per lb.

	JAN.	FEB.	MAR.	APR.	MAY.	JUNE	1st Half-year
1901....	s. d. 3. 8 15/16	s. d. 3. 7 7/16	s. d. 3. 6 9/16	s. d. 3. 9 7/8	s. d. 3. 9 11/16	s. d. 3. 8 15/16	3. 10 5/16
1902....	3. 4 7/8	2. 11 9/16	3. 11 13/16	3. 1 3/16	2. 11 1/4	2. 11 5/8	2. 11 35/64
1903....	3. 10 5/8	3. 6 11/16	3. 5 15/16	3. 10 9/16	3. 10 3/4	3. 10 3/8	3. 9 21/32
1904....	4. 5 3/16	4. 4 1/2	4. 3/4	4. 8 1/8	4. 11 1/2	4. 9 3/4	4. 7 3/4
1905....	5. 2 5/8	5. 3 7/8	5. 5 11/16	5. 7 3/8	5. 8 3/16	4. 8	5. 5 91/32

General News

Local Items. The returns of the Director General of Public Health for the week ended 27th August are as follows: Yellow fever 0; bubonic plague, 2; small-pox, 3; measles 12; scarlet fever, 0; diphtheria, 0; whooping cough, 0; influenza, 17; typhoid fever, 2; dysentery, 0; beriberi, 0; leprosy, 1; erysipelas, 0; marsh fevers, 3; pulmonary diseases, 57; other contagious diseases, 5. Total 102. Violence, (including suicides) 9. Non-contagious diseases, 166. Total deaths from all causes, 277; equal to an annual death rate of 15.95 per 1,000 inhabitants. Mortality of contagious diseases to total number of deaths 36.82%. Under treatment in hospitals: yellow fever, 2; small-pox, 32; and bubonic plague, 5.

— General Lucio V. Mansilla who passed through on his way to the Plate was until lately Argentine Minister at Berlin.

Besides being a diplomat he is a soldier, a writer of no mean ability, an artist, "causeur", and, in fact, one of the most interesting individualities of Buenos Aires. He was born, we will not remind him how long ago, his father being one of Rosas confidants and relatives. Like all the Rosas family he is said to have a siate loose, which indeed some of his harebrained performances would seem to confirm. When commander of the Cordoba frontier he took a drove of horses from the Indians he was pursuing and, on his return to head quarters, held a court martial and discovering that they were originally *patrias* (had belonged to the army) ordered them all to be shot as deserters! He was fond of surprising the pickets and once finding an officer asleep at his post reprehended him for his negligence, and replied to his protests by jumping off his horse and offering to fight him then and there. Mansilla was, and is, a dead shot, the officer fuked it, and, in consequence, was driven more dead than alive nine miles afoot to head quarters. Notwithstanding he can be the most agreeable and amusing of companions, a bitter enemy and a firm friend. He shot a rival dead in a duel who dared to revile him and was feared, admired and laughed at, behind his back, for his eccentricities. As a young man he was extremely handsome and even now he is an imposing and splendid figure of a man, with a white falowing beard, fine fresh complexion and monocle.

— The Argentine ships expected on the 7th September are, cruiser "9 de Julho", carrying Rear admiral Berthber's flag, battleships "Independencia," "Libertad" and the torpedo-catcher "Patria".

— Dr. Alfredo Varela's, friends who are many, will be pained to hear that his health has suffered severely from the privations and trouble he has undergone, the right lung being it is feared permanently affected.

Minas Geraes:

	Estimated	Recovered	
Revenue for 1903.....	17,286,046	16,194,926	1,091,120
Expenditure 1903.....	17,282,926	16,632,402	— 650,524
Revenue estimated for 1904....	16,844,410	16,951,700	+ 107,290

S. Paulo. Imports of Agricultural machinery show a very considerable increase of late. This is in great part result of the extremely active propaganda undertaken by the Minister of Agricultura Dr. Botelho and his excellent staff. The leading house in this line, Nathan & Co., has sold twice as much as last year as the following details published in the Boletim de Agricultura show:—

	12 months 1904	6 months 1905
Ploughs.....	133	272
Cultivators.....	177	434
Sowers.....	7	21
Reapers.....	1	14
Sundry.....	—	9
	318	550

Messrs. Nathan & Co. have contracted with the Banco União to sell all the output of Cotton of the Volarantim factory, calculated at 3,900,000\$ per annum.

S. P. — Money is very tight at S. Paulo, and discount more difficult than ever.

— It is said that the London and River Plate Bank is about to erect a building of its own. Under Mr. Butler's management the business of the Bank has increased considerably.

— People are in too much of a hurry and because the rate stuck a bit were beginning to lose faith and look out for the fall. Speculation in exchange has practically ceased, the margins for the rise being too small to make it worth while. When, however, the fall does set in it will be active enough, and people will not be able to buy quick enough.

— Mr. Victor Northman, the founder of the well known house of the same name one of the most enterprising firms of São Paulo, died on board the s. s. *Prinz Sigismund* near Lisbon on his way to Hamburg. Mr. Northman, who was one of the founders of this *Review*, held very sound opinions on finance and was a healthy element in the society of S. Paulo, on which he exercised considerable influence.

He had been falling for a long time so that his death in his 64th year was not wholly unexpected. He was a native of Silesia having been born at Gorlitz in 1841. In 1850 he came to Brazil, where he was naturalized in 1878. The house of Northman & Co. founded by him in 1892, was transferred to the

firm of Herman Buehard & Co. that still exists, though Herman Buehard himself has also gone over to the majority. Some of the more important undertakings that owe their origin to Mr. Northman's energy and influence—are the *ex Companhia Viação Paulista*, the Bavaria Brewery, and the suburb of Hygienopolis.

We present our sincere condolences to the bereaved family of our highly esteemed and valued friend.

The list of founders of this *Review* is thinning sadly.

Only 8 years ago and already Manoel Victorino, Born, Rose, Burchard, and now Northman have fallen out and before very long our turn will come too and our place will know us no more.

Looking back over these toilsome years, we feel that the object for which the *Review* was founded has not been wholly unrealized. It has added distinctly to correct appreciation of Brazilian affairs and in this respect, at least, the friends who helped us found it have not been disappointed.

When this *Review* was started no such thing as organised statistics of trade or commerce here existed. Today they compare favourably with the best. Little definite was then know of the financial conditions of the different States. Now statistics are regularly published.

Both are due in great part to the influence and untiring advocacy of this journal.

It would be tiresome to recapitulate all that has been done and we only refer to the subject at all to remind our friends that if in a commercial sense the investment has not have proved profitable, it has, at least added appreciably to knowledge has thus justified its existence.

—The management of the Tramway da Cantareira has been transferred to the *Inspectoria das Estradas de Ferro*.

The *Banco Hipotecario do Brazil* (Rio de Janeiro) has made a proposal to the Government of São Paulo, signed by Modesto Leal, to organise a mortgage bank under the conditions of the late law (928) comprising a guarantee of 6% interest on a capital of 22,000,000.

— A credit of Rs. 500,000\$ has been opened for the Sorocabana Railway.

— The São Paulo papers are busy discussing who really are and who are not historical Afonsinistas, with rights to the reversion of all the good provincial things that Presidents dispense.

Pará. The balance sheet of the Banco do Pará for 31st July showed 3,371,151\$ in cash, and that of the Banco Norte do Brazil 193,996\$. The report of the latter shows a gross profit of 175,848\$ for the first half 1905, including 34,475\$ brought forward from 1904, nett profits were 19,088\$ out of which a dividend of 1\$000 at the rate of 2% on the share capital was declared.

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Books Received and Notices

Vols. I to VI of the *Brazilian Mining and Engineering Review*. This is an old friend and one that we trust will prove more successful. The mining industry in Brazil is, however, too insignificant, so far, to support a journal of this sort and, we fear, will not do so for many years, until, at least, the laws as to titles can be radically modified.

Our contemporary has many articles of interest to Miners—those on Manganese and Mica being particularly noteworthy.

"Superaris" There's that "tired" feeling and that "dry" feeling—it relieves both.

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The Tightest Place I was ever in.

A SCRIMMAGE IN CALIFORNIA

BY
HORACE ANNESLEY VACHELL

(Author of "Brothers," &c.)

My brother is of opinion that the tightest place in which he has seen me was a pair of very snugly-fitting Bedford cord riding trousers, worn by me upon a certain pouring wet day in California, dried on me under a semi-tropical sun, and hauled off me by the united efforts of three strong men! In my own opinion, however, I have been in a yet tighter place, although it is certain that I did not suffer so much physical discomfort.

We — my brother and myself — had been shooting in the San Emigdio foothills of the Santa Lucia Mountains: the Coast Range of California. Here, in the early '80's, grizzlies were still to be found. But, although we saw tracks and 'sign,' the beasts themselves remained invisible. Bear-hunters will testify that even if you discover the very hair of the monster whom Californians call "Uncle Ephraim," he is almost invariably not at home.

Finally, we gave up our quest in despair: out of heart and out of grub. My brother suggested that we should find venison at a ranch, the nearest to the wilderness in which we had been wandering for the previous three weeks. We knew the boss and the foreman, and after a long day's travel were delighted to find both men at home. Living as they were some hundred miles from the nearest store, with no companions other than half a dozen cowboys, you may be sure that we received a hearty welcome. As we were putting our horses into the barn, our host said abruptly: "Got any whisky?"

"A big demijohn—nearly full," I replied. "It's yours, if you want it."

"Shush-h-h! Want it? Not I! We must hide it."

Then he explained that his cook saw 'red' after taking one drink of alcohol. Accordingly, we hid the poison — for poison it is to such fellows — under a bale of hay.

BOUND THE RANCH FIRE

After supper, we smoke in the sitting-room, which occupied the middle of the house, a long, low room, with a big fire-place at one end of it, our bed-room at the other end, and doors facing each other on the sides: through each door one passed on to a rough verandah. Garden there was none. Outside lay the big corral and barns. Encompassing these the huge ranch stretched for leagues: a sixty thousand acre grant of foothills and valleys untouched by the plough.

The cowboys squatted about the fire and told stories as they smoked. The four chairs were occupied by boss, foreman, my brother, and myself. The foreman, John, was a big, loose-limbed fellow, extraordinarily skillful with the briat (lassoo) and one of the finest horsemen in Southern California. His brother, Charlie, one of the cowboys, was half his size, but wiry as an Apache and of much the same complexion. Both men said little, answering such questions as we put to them curtly, but not unskillfully.

At that time, our country—one of the last in California, to be roused from sluggish stock-raising uses into agricultural and horticultural activities—had become a sort of sanctuary for cattle-thieves and desperados. Stage-coaches were robbed, frequently: banks were "held-up" and looted; hardly a month passed without its shooting affray.

The conversation turned naturally enough into these encumbered channels. Some of the "bad men" were known to us; John the boss, had taken a prominent part, so it was whispered, in the lynching of a train-robber, the terror of the S. P. Co., who had worked as a cowboy on this very ranch, and had sat, as we were sitting, about the fireplace, and had been reckoned by his fellows a quiet, peaceable citizen.

Suddenly, the foreman said in a slow drawl: "Let's quit this talk about bad men. Hugh may be through washin' up at any minute — and it's kinder pussional, seein' as Hugh's father died with his boots on."

A GOOD COOK AND A BAD EGG

"An' it wouldn't surprise me overly much," remarked Charlie, "ef that same sort o' sendoff was in store for Hugh himself."

Hugh was the cook, who saw red whenever he smelled whisky. The boss whispered to me that his father had been strung up to a telegraph post, just outside the county town.

"He's a bad egg," he concluded, "is Hugh, but he's a derned good cook, as cooks go in these parts."

"Sing us a song, Charlie," said one of the cowboys.

After a little pressing, Charlie broke into a mournful ditty: a sort of *recitativo*, setting forth, in dismal procession, the misadventures and miseries of a tramp. The company listened with interest and sympathy. Looking at the spare figures and bronzed faces about the fire-place, one realised vaguely that in the inexorable trend of events their picturesque occupation must be taken from them within a decade. And dismounted, what awaited them, save a dreary tramp, afoot through the country across which they had ridden so gaily in the past?

While Charlie was singing, I kept an eye on the door, looking for Hugh, the cook. I had not had more than a glimpse of him; and the son of a man who had been lynched stirred my curiosity. But he did not come in.

After a couple of songs, somebody proposed an exhibition of high kicking, which led to other feats of strength and activity. The fun had begun. One could see the grave faces of these silent men change; as their blood began to circulate, one felt, as they felt, the throb of excitement, the pulse beating fiercely beneath the touch of competition.

And then, without a moment's warning, Hugh stalked into the room, carrying my Winchester magazine rifle in one hand and the demijohn of whisky in the other. Every man, save he, was unarmed. Hugh had the "drop" on the crowd.

"HELD UP"

We stared at him. He was a handsome young fellow; and drink had flushed his cheeks and lent a sparkle to his eyes. He laughed, fingering the rifle as if it were a toy, spinning it round dexterously.

"Put that down, Hugh," said John quietly; "we're having some fun here, and we want you to join us."

"Do ye?" said Hugh contemptuously. "Well, I have joined ye—hav'n't I? And now I'm a-goin' to have the fun. D'ye know who I am?" He glared at each of us in turn. "I'm not wearin' my crown and robes" (he was in flannel shirt and overalls) "but I'm the king, that's who I am, don't ye forget it!"

He twirled the rifle faster. Nobody moved.

"Is that gun loaded?" said Charlie.

"You bet! See!" He fired into the ceiling as he spoke.

When the noise died away, he added savagely—

"I'm the boss to-night, an' I'm a-goin' to make you fellers obey me. A bullet goes plum into the head of the first man as moves without my say-so. D'ye hear?"

"We hear," said John quietly. All the same, Hugh, I'd quit this foolin' if I was you."

"Shut up yer mouth!"

John shut his mouth, almost with a snap. And then I saw that grim fixity of purpose upon his face, which is no more to be mistaken or ignored than the first warning of the rattlesnake poised for his deadly stroke.

"I'm the king, ain't I, Charlie?"

"Sure," said Charlie.

"I'm the king, boys, ain't I? Answer — every mother's son of ye!"

We answered solemnly: "You're the king, Hugh."

"I own this sheebang—hey?" he addressed the boss.

"Looks like it."

"That bein' so, I mean ter choose my comp'ny. I've nothin' agen you, boys," he addressed my brother and me. "You sit right there, an' make yerselves to home. But you," he turned furious eyes on our host, "you swine, you've made it hot for me, more'n once. Stan' up!"

SOME PERSONALITIES

The boss rose slowly.

"Now—march! Skin out o' this — an' don't come back to-night! I'm a-goin' ter sleep in yer bed, wear yer pyjamas and play I'm you. Git!"

The boss marched out of the room.

"John and Charlie—stan' up!"

The foreman and his brother stood up. One could see the sinews beneath the skin, rigid with rage and humiliation. The head of the rifle covered first one, then the other.

"The bacon and beans didn't suit ye, yesterday," said Hugh, playing with the trigger. "An' las' Sunday, when I overslep' myself, both of ye made remarks, insultin' remarks. Now, down ye go, on yer knees—an' apologise. *Quick!*"

"No," said John quietly. "Shoot an' be d—d!"

Hugh didn't shoot, but he laughed loudly.

"John, old socks, ye've a nerve. Well, you two skip out! An' don't come back! If ye do, by the living Jingo, I'll bore a hole through ye. Git!"

They got.

There cowboys were left. Hugh eyed them reflectively. "Pore white trash!" he said slowly. "You ain't fit ter associate with me an' these yere gen'lemen. *Mosey!*"

They "mosed."

Hold on! Don't forget to shut the door! Me an' these gen'lemen air a-goin' to whoop things up a bit, understand? We may paint this sheebang a pale shrimp pink before we quit. And we don't want to be disturbed—see? Make that plain to the Boss and John. Because if one o' them doors moves I sha'n't wait ter ask who's pushin' it, but I propose ter fire — through it. See? That's all."

The cowboys went out, carefully closing the door. There were no windows, for the doors in the daytime served as such. Hugh laughed, staring hard at me.

"Say," he began, "I heard that son of a gun tell you to hide the demijohn, and I saw where you hid it. Come on, let's celebrate! I'll stand here and watch them doors. One must be keefull. You drink first, boys. Take a good wad — with my regards."

It seemed expedient to humour him, especially as by so doing so we gained possession of the whisky. I was putting the demijohn to my lips, when I heard Hugh say sharply:

"Jeerusalem!"

IN THE LINE OF FIRE

When I looked up both doors were wide open. They opened outward. Hugh glared fiercely through each in turn into the

"No body could be seen." At once I realized what was about to happen. The men had armed themselves, and would have as little hesitation in shooting down this rebel as in killing a cur who had snarled at them. The expediency of the thing was plain to the floor beneath me. The room was small. With the best wish in the world not to injure us, these cowboys must take that risk, if the shooting began.

"Will you surrender, Hugh?" John spoke.

"Surrender?" "H. H."

A figure, pistol in hand, flitted across the open door; Hugh raised his rifle. Another figure appeared at the opposite door. He turned swiftly; the figure slipped out of sight. This happened half a dozen times with uncanny monotony. Then Hugh said to us:

"Don't be scared, boys, an' sit where ye are!"

Obviously, Hugh had enough wit to perceive that the men outside might be slow to shoot so long as we sat in the line of fire. But this madman began the battle—what then? Afterwards, three excellent ways of escape occurred to me; at the time, however, my mind seemed blank. We sat perfectly still.

Then, the unexpected happened.

Hugh was standing between two open doors, and the autumn wind blew in upon him.

"Charlie!" he shouted; "oh—Charlie!"

An invisible Charlie answered quietly: "What is it Hugh?"

"I want my coat, d'ye hear? Fetch me my coat."

"Why certainly," said Charlie.

A LIVELY SCRIMMAGE

I wondered whether he would obey this queer order. It might so easily prove a ruse to get an open shot at an enemy. Charlie walked in, carrying the coat. All in all I take this to be one of the coolest and bravest actions I have ever witnessed. He sauntered in, cool as a cucumber, with a slightly derisive smile upon his lips.

"Here's yer coat," he said, holding it out.

Somehow, I divined what was in the cowboy's brain. As he held out the coat, I saw Charlie measuring the distance between himself and Hugh. The rifle was pointed straight at his head. Hugh, holding the rifle with one hand, reached for the coat. At that moment, Charlie ducked and jumped; and I jumped; and my brother jumped. Hugh crashed to the floor with three men upon him. Boss and foreman fell upon our bodies.

When we disentangled ourselves, I saw that the boss had the king by the ears, and was sitting astride his prostrate body. He raised his majesty's head, and pounded the floor with it.

"Hold hard," said John. "This flooring is kinder rotten."

Next morning, Hugh was led to the ranch fence and told politely that if he valued his health he would seek other pastures. He did.

Next Week:

"HOW I NEARLY STARVED TO DEATH," BY HARRY DE WINDT

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INTRODUCTION

TO THE REPORT OF THE MINISTER OF FINANCE

MR. PRESIDENT:—

I have here with the honour to present to you my report on the Finances from 31st August 1904, and I have much satisfaction in noting the confirmation of my predictions in my previous report as to the improvements to be expected from the alterations introduced in various sections of the Treasury.

Thus, the measures adopted by Congress regarding Treasury balance sheets is giving good results.

Besides those of 1895 to 1899 referred to in my Report of 1904, the balances of 1900 and 1901 are now concluded, the latter being ready for distribution, and that of 1902 is being printed.

To complete the balance sheet for 1903 there are still required the figures for the Naval Department and the Fiscal Delegacies of Amazonas, Piauhy, Alagoas, Pernambuco, S. Paulo, Minas Geraes, Rio Grande do Sul and Matto Grosso, which are all well advanced and will soon reach the Treasury.

The monthly balances relative to the financial years of 1904 and 1905 are still backward in the Delegacies of Amazonas, Espirito Santo, Minas Geraes, Matto Grosso, São Paulo and Rio Grande do Sul. I hope that with the practice now adopted in this department of working over the regulation hours, and with the improvement which has resulted from this reform, the provisional and final balances will shortly be brought up to date.

When that is done the Accountant Department will be able to furnish at the proper time the data for estimate of receipts and expenditure for the budget.

The work relating to the processing of debts corresponding to closed financial years, of probates for the receipt of pensions and annuities, civil and military, were very much in arrears, and result in numerous complaints on part of those interested and protests against the delay in resolving their claims. I have pleasure, however, in saying that this has much improved and I believe the day is not far off when we shall see this service entirely normalized. To obtain this desideratum it is necessary, besides other measures, to consolidate our legislation as regards pensions and annuities. The innumerable and conflicting rules concerning them found scattered throughout all our codes make it difficult for the Treasury to study the questions submitted and are a fruitful cause of delay to current work because of the constant necessity of sending back to the Fiscal Delegacies processes in which legal requirements have not been observed. I do not need to insist further on the necessity of the measure, in view of the great number of pensions which are daily reported on by this Department.

The movement was as follows:—

During the year 1904 there were included in the pay sheets in the Treasury 656 new pensioners, being 149 military pensions and 507 civil annuitants, the total amount being 476:513\$403.

Classification of expenditure was effected relative to 852 processes and credits for 196 were remitted to the States amounting to 200:769\$865. Of the debts belonging to closed years, there were informed for payment 997 processes of which 522 concerning "relacionado" debt. Classification of expenditure amounted to 23:736\$773 gold and 1,482:174\$625 paper, as follows: "Relacionado" debt, paid for account of extraordinary credits, 23:736\$773 gold, 597:845\$668 paper; debts paid for account of the respective credit in budget, 884:328\$957 paper.

* *

The Treasury Council judged 978 processes in 1904 and since January of current year has kept its work up to date, having despatched during the first six months all the processes submitted to its judgment, in all 387.

The Revenue Office has just completed the study of some 150 *ex-officio* appeals and processes, chiefly null on questions of interest merely to the administrations of the States and of Collecting Offices.

The work of the Council referred almost entirely to questions whose examination belongs to the said Directorate, and demanded during the past year the expedition of 1491 letters and intimations (portarias) four circulars and 176 telegrams.

* *

The adoption of a code of accounts becomes every day more urgent.

The project organized under Art. 2 section IX of Law 953 of 29th December 1902, consolidated dispositions and Accounts regarding different budgetary and special laws, completing and harmonizing and unifying them.

Congress, which, in several of the annual laws, has recognized the convenience of such a consolidation, will, I hope, discuss the subject in present session and vote a law with the additions and modifications that may be considered necessary.

The question of the collection of import duties by the States is one of the most serious that affect our administrative organization.

Art 5 of the Regulations promulgated by Decree 5,402 of 23rd December 1904 determined that the collection of such duties shall be effected by the Custom House and at the federal fiscal stations.

The Governments of some States however, including Minas Geraes and Rio de Janeiro, collect them, in their respective fiscal department.

This practice not only is clearly unnecessary to the object the State Governments have in view but it causes them useless expense, not to speak of conflicts between contributors and the State administrations, as well as between these and the Union, which refuses to recognise their competence to exercise a federal function.

It would be out of place to discuss here the constitutional signification of the tax of imports permitted to the States, seeing that even in the North American Constitution it was only left to them as a kind of solace for the sovereignty they formerly enjoyed, and much less shall I discuss its administrative utility.

I am forced, however, to examine the constitutionality of this attribute conferred on the States by paragraph 3 of Art 9 of the Constitution in order to demonstrate the inconvenient manner in which it is being put into practice.

It is sufficient to call attention to the specific condition attached to this authorization, viz. that in all cases the product of the duty should revert to the Federal Treasury, for no one to entertain any doubt not only as to whether the Union should take part in its collection, but also as to whether the States would profit by the collection being effected though the agency of Federal fiscal Stations.

It is clear that a duty charged on foreign merchandise imported into national territory can only be collected on the occasion and at the locality of entry. The Custom Houses of the Union are, therefore, the necessary and natural instruments for collection of import duties charged by the States. As a natural corollary, appeal on disputed points by the States to the Union Treasury and acquiescence in a means of settlement so advantageous whether from an economic or fiscal point of view should follow. In this manner the sum that should revert to the Union would be accurately verified and be collected not only without prejudice but with decided advantage to the interests of the States.

In what other way will it be possible for the Federal Government to undertake the necessary fiscalisation if the States are permitted to recover duties on imports when and where they choose? Evidently if only to certify the constitutional execution and the real yield of the tax, fiscalisation is indispensable.

Another aspect, that seems to illustrate and give force to these considerations, is that, apart from the manner and method of collection, it would be requisite to change the very designation of the tax in order to make it be legal. Such, in effect, would be the case if import duties were recovered by the States at their inland revenue stations on goods that had already passed through the Union customs and, therefore, had been incorporated in National wealth.

A North American commentator maintains that "without the consent of Congress the States are not empowered to tax exports or imports in any way whatsoever, except so far as may be indispensable for the execution of their respective laws" (Art. 1, sec. 10 Par 27). In a note he adds: "the net proceeds of all such duties must be paid over to the United States Treasury and all such laws are subject to the revision and control of Congress."

Measures are urgently required for the interpretation by the National Congress of the meaning of § 3 of Art. 9 of the Constitution, and determination of the methods of taxation by the States of imported foreign goods so as to do away with all doubts on this matter and to duly protect this most important source of federal revenue.

Another still more serious and important question is the carrying out of the law which abolished inter-state duties.

Happily there was no difference of opinion in condemning these duties, but, as usual, it has not proved, in practice, so easy to get rid of them.

It would almost seem that there must have been some other reason for their existence beyond ignorance of their incorrect and unconstitutional character, such is the persistence with which they have been maintained under varying disguises.

It is lamentable and surprising that in spite of the general consensus of opinion and of the historical demonstration in the United States of North America of the benefits of inter-state free trade as one of the secrets of their great economic expansion, among us free trade between States has only been stimulated up to now by platonic recommendations of theorists instead of labouring to convert the principle of the "open door" between the States into reality.

Thus some of the States continue in spite of the law to impose taxes on products of other States, which although not falling directly on imports, augment their cost, diminish their volume or suppress them altogether.

The Supreme Federal Tribunal has even required to apply to the Executive to enforce execution by the States of sentences favouring national interests.

Administrative federal action has also been solicited, by

fiscal delegates and custom house authorities, for the execution of the law which prohibits interstate taxes, and certainly if any power is called upon to carry out a function of the political organism, after that function has been exercised by the other constitutional powers, that power can be none other than the Executive.

It is necessary that such a state of things should cease and that everyone should convince himself that, without the actual practice of constitutional principles, organized liberty, established for the harmonious development of the various economic forces of the national organism, will be purely imaginary; regular development will fail and our national industry will be dislocated by importation.

There is not, nor can there be, any incompatibility between the fiscal resources required by the States and the free production and free circulation of national products.

If the resources of the States are slender, their public expenditure should be in proportion.

The consequences of this mistaken interpretation of local sovereignty and ambitions are not confined to these two matters, but, unfortunately, are generalised and evidenced in almost every act of our administration and economy.

Unfortunately this spirit is generalised and treacherously insinuates itself into all administrative acts and economic facts of our national life.

Thus, the States further contest the right of the Union to tax dividends, and transfers of public lands and of rights vessels, to the foreshores (terrenos de marinhãs) and to stamp duties del away by their notion, historically erroneous, of their territorial sovereignty and by the egoistical interpretation given to the Constitution.

Fortunately, decisions with regard to some of these questions, by the Supreme Federal Tribunal, have already recognized the competency and established the rights of the Union.

I do not need to insist further on this matter in order to show the urgency of practically defining the restrictive attributes of the State Governments according to our political and economic regime and the still greater urgency for the Union of converting the precepts of the Federal Constitution in this anarchic and complicated medium into realities.

The external debt, not including the amount, £3,388,100, of the Minas Railway Loan, whose responsibility was assumed by Government, amounts at present to £61,975,737.99, there having been paid off recission bonds to the amount of £553,769.

The following is the movement of the Recission Bond Special Account:—

Balance brought forward.....	£133,997. 0. 9	
Difference between the Railway guarantees and the interest on the Recission Bonds in first half of 1905.....	£132,613. 2. 0	
Verified product of the leasing of some of the purchased railways Rs.....	1,213,737\$051	
Of which at 13 3/32d.....	424,288\$701	23,180. 15. 6
And 789:44\$350 at Exchange 16 21/64.....		53,709. 4. 3
		209,503. 1. 9
		343,500. 2. 6
Redemption of corresponding bonds of the nominal value of £182,630.....	£157,177. 16. 3	
Commission of 1/2 % on the cancelling of Recission Bonds of the nominal value of £182,630.....	913. 4. 0	
Commission of 1 1/8 % on Emission of £2,013,640 in Recission Bonds for purchase of the Rio Grande and Bagé Railway.....	22,653. 9. 0	£180,744. 9. 3
Balance applied to the purchase of Recission Bonds of the approximate nominal value of £196,700.....	£162,755. 13. 3	

The following railways contributed, as under, to make up above revenue of 1,213,737\$051, counting from 2nd half of 1903 to the 2nd half of 1904:—

Alagoas Central Railway.....	96,309\$300
Coade d'Eu.....	66,342\$110
Bahia Central.....	55,806\$835
Bahia to São Francisco.....	27,821\$776
Minas & Rio.....	607,394\$030
Paraná.....	300,000\$000
	1,213,737\$051

The Southern Brazilian Rio Grande do Sul Railway Company, Ltd., having been bought by contract, signed 29th December 1904, an agreement was come to on 23rd March 1905 between the Brazilian Government, represented by the Delegate of the Treasury, and Messrs. N. M. Rothschild & Sons, for the emission of £2,013,640 in 4% Recission Bonds, to carry out that operation.

These bonds were destined as follows:

For shareholders.....	£650,000
» compensation to clerks.....	6,000
» payment of shares.....	36,130
» debenture holders.....	1,321,566
	£2,013,640

Of the amount of £1,321,500 destined for payment of the 6% debentures, only £781,000 in Recission Bonds were so applied, the balance of £540,500, remaining at disposal of the Government, corresponding to amount of debentures whose holders preferred payment in cash.

The last Account Current received from our London Agents shewed a balance in favour of the Treasury, on 30th June last, of £5,088,959-5-11.

Remittances have been forwarded regularly to the average monthly amount of £ 92,029.

From September of last year to 31st July of present year they amounted to £6,512,321-2-1, as per table below:

1904			
September.....	323,544. 0. 0		
October.....	360,015. 2. 6		
November.....	445,235. 10. 8		
December.....	387,219. 0. 7	1,516,013-13-9	
1905			
January.....	1,350,449-17- 3		
February.....	461,889-19- 7		
April.....	401,422-13- 0		
May.....	2,250,000. 0. 0		
Idem.....	400,013-19-10		
June.....	132,520-18- 8		
July.....	—	4,996,307- 8- 4	
		6,512,321- 2- 1	

Besides the ordinary amortization of the internal 1868 gold loan, referred to in my last Report, to the amount of 950:000\$ gold, I resolved to authorize the calling in, by the *Caixa de Amortização*, of the balance of that loan, the amount being 5,422:500\$ gold, corresponding to £609,955.

Of the 1897, 6% Currency loan, the ordinary amortization of 6,000:000\$, authorized in the past year and commenced in January last, was effected, and I also authorized the paying off of the bonds "to bearer," of which forged specimens had been appearing, in cases which holders objected to exchange them for nominal bonds.

The accompanying table shows the result of these operations up to 31st July of this year.

REDEMPTION OF BONDS

1868 LOAN		
<i>Extraordinary</i>		
Paid off.....	4,298:500\$000	£ 483,520
Still to redeem.....	1,124:000\$000	» 126,435
	5,422:500\$000	£ 609,955
<i>Ordinary (by drawing)</i>		
Paid off.....	799:000\$000	£ 89,876
Still to redeem.....	101:000\$000	» 11,361
	900:000\$000	£ 111,237

1897 LOAN		
<i>Extraordinary</i>		
Paid off.....	3,571:000\$000	
Still to redeem.....	204:000\$000	
	3,775:000\$000	
<i>Ordinary (by drawing)</i>		
Paid off.....	5,065:000\$000	
Still to redeem.....	934:000\$000	
	6,000:000\$000	

RESUMÉ OF THE AMOUNT OUTSTANDING

Gold.....	1,225:000\$000	£ 137,796
Paper.....	1,138:000\$000	—

The amortization fund of the 5% internal currency loans, created by the decree n. 4,382 of 8th April 1902, shewed a balance, on 30th June last, of 19,436 bonds of the nominal value of 18,304:100\$000 to its credit.

By *portaria* n. 621 of 23rd current, I authorized the Directorate of the Accounting department of the Treasury to deliver to the *Caixa de Amortização* 120:000\$000 for the purchase of bonds on account of said fund, in accordance with art. 19, n. 37, of law n. 1,316, of 31st Decr. 1901.

The following table shews the amount obtained by the sale of national effects and properties from 1901 until now, and applied to the purchase of bonds for the amortization fund:

1901.....	263,227.356
1902.....	193,624.124
1903.....	64,001.508
1904.....	27,895.433
	548,748.421
<i>Less:</i>	
Amount delivered to the <i>Caixa de Amortização</i> on 11th November 1903.....	426,000.000
Idem on 25th July 1905.....	120,000.000
	546,000.000
Balance.....	2,748.421

The paper money in circulation, which on 31st August 1898 amounted to 788,364:614\$50 had been reduced, at 30th June last, to 672,951:997\$250 by the burning of 115,412:707\$250.

By the burning of 2,000:000\$ during the current month, on account of the redemption fund, the amount in circulation, as above given, was reduced to 670,951:997\$250.

The following table shews the amounts collected since 1900 until March of this year, for the currency redemption fund and their application:

1900.....	2,871,400\$317
1901.....	2,950,097\$612
1902.....	2,714,178\$802
1903.....	3,455,441\$235
1904.....	3,368,629\$715
1905 (January and March).....	283,807\$755
	15,643,550\$436

Less:

Delivered to the Bank of the Republic.....	10,000,000\$000	
Redemption of the currency in 1902.....	3,000,000\$000	
On 17th July 1905.....	1,000,000\$000	
" 21st " ".....	1,000,000\$000	11,000,000\$000
In hand.....		643,550\$436

The Guarantee Fund Account instituted by Law n. 581, of 20th June 1899, shows a balance of £1,823,820-18-1 or 16,211,741\$401 gold, as per following table:

	£	In reis gold	£	In reis gold
1900.....		865,581-15-6	7,693,971\$866	
1901.....		776,114-14-9	6,898,797\$700	
1902.....		950,879-16-8	8,462,265\$189	
1903.....		951,174-16-7	8,454,887\$980	
1904.....		1,040,561-4-6	9,249,498\$125	
1905 (Jan. to March).....		214,568-10-1	2,173,497\$577	
		£828,820-18-1	42,922,652\$517	

Less:

Lent to the Bank of the Republic, in virtue of law 63, of 20th September, 1900.....	2,000,000-0-0	17,822,222\$224
Paid to Bolivia, £2,000,000, in virtue of the Treaty of Petropolis, with banker's commission added.....	1,000,000-0-0	8,888,888\$888
	3,000,000-0-0	26,711,111\$113
		£828,820-18-1
		16,211,741\$401

Deducting £1,823,820-18-1, amount of the Guarantee Fund from the balance, above mentioned, of £5,088,959-5-11 to our credit with our agents in London, there remains a balance of £3,265,138-7-10 to meet our external expenditure in specie.

The special account of the loan of £8,500,000 for the Rio Port Works shows the following movement:

	£
Nett product of the loan of £5,500,000.....	4,778,631-4-5
Interest allowed to December 1904.....	131,739-3-9
	4,910,370-8-2

1st instalment of 17% on £3,000,000 of 1905 Loan.....	510,000-0-0	
8 instalments, prepaid of 10% on £341,600.....	273,280-0-0	783,280-0-0
Commission 1 1/4%.....	52,500-0-0	
Brokerage 1/4%.....	7,500-0-0	
Discount on instalments prepaid.....	2,447-6-10	62,447-6-10
		720,832-13-2
		5,631,203-1-4

Drafts up to June current at various rates.....	3,500,000-0-0	
Paid C. H. Walker & Co. up to June.....	296,162-5-2	4,006,162-5-2
Balance.....		1,625,040-16-2

Currency

£3,800,000 drawn at various rates.....	60,416,837\$700
Revenue collected to June current.....	4,098,746\$565
	73,515,584\$265

Advances made to the Commission of the Port Works, in virtue of the following *arras* of the Minister of Industry:

1. ^o No. 3109 of 26th Nov. 1903.....	10,000,000\$000
2. ^o " 624 " 2nd Mar. 1904.....	19,096,857\$788
3. ^o " 1937 " 15th July 1904.....	13,610,614\$907
4th " 2768 " 6th Oct. 1904.....	6,500,492\$324
5th " 157 " 16th Jan. 1905.....	5,000,000\$000
6th " 1245 " 6th May 1905.....	5,000,000\$000
	59,907,965\$019

Interest of the issue of <i>Aplicats</i> to amount of 17,300,000\$ relative to the 2nd half-year 1903 to the year 1904, and first half-year of 1905.....	1,730,000\$000	61,637,965\$079
Balance.....		11,877,619\$180

From the study of the figures referring to the triennium 1901 to 1904, we come to the conclusion that the financial situation has not become worse but, on the contrary, tends to improve. Notwithstanding, we must insist, as a prudential measure, on augmenting revenue by better collection, and make every effort to restrict expenditure, which when unavoidable, should be increased by degrees.

From perseverance in this policy I anticipate the most beneficial effects to the finances of the country.

From the final Treasury balance, now made up for 1901, it is seen that in that fiscal year the revenue collected was 44,041,302\$426 gold, and 239,284,701\$976 paper; whilst the ex-

penditure was 40,493,241\$175 gold, and 261,629,211\$524 paper, thus leaving a surplus of 3,548,061\$251 gold and a deficit of 22,344,509\$548 paper.

For the fiscal year of 1902, the revenue amounted to 42,904,844\$036 gold and 266,584,912\$062 paper, and the expenditure to 34,574,624\$659 gold and 236,358,861\$592 paper, thus leaving a surplus of 8,330,220\$377 gold and 30,126,050\$470 paper.

The revenue in 1903 amounted to 45,121,815\$812 gold and 327,370,062\$780 paper, and the expenditure to 48,324,641\$880 gold, and 291,198,959\$733 paper, leaving, accordingly, a deficit of 3,202,826\$868 gold and a surplus of 36,171,103\$047 paper.

In 1904 the revenue amounted to 50,566,571\$759 gold, and 342,782,191\$285 paper, and the expenditure to 48,476,413\$199 gold, and 352,292,146\$635 paper, there being, consequently, a surplus of 2,090,158\$560 gold and a deficit of 9,509,955\$850 paper.

Recapitulating the above, it is seen that during the quadriennium in question the total revenue amounted to 182,634,533\$233 gold and 1,176,021,868\$103 paper, and the total expenditure to 171,868,938\$913 gold, and 1,141,179\$484 paper; leaving consequently, a surplus of 10,765,594\$320 gold and 34,442,688\$619 paper.

The table below shows the revenue and expenditure of the Republic during the years 1894 to 1904.

REVENUE OF THE REPUBLIC IN THE FISCAL YEARS 1894 TO 1904

Year	Gold	Currency
1894.....		270,341,080\$050
1895.....		325,865,911\$412
1896.....		346,212,788\$600
1897.....		363,410,721\$014
1898.....		324,053,051\$062
1899.....		333,104,648\$045
1900.....	49,955,521\$612	263,687,233\$410
1901.....	44,041,302\$426	239,284,701\$976
1902.....	42,904,844\$036	266,584,912\$062
1903.....	45,121,815\$812	327,370,062\$780
1904.....	50,566,571\$759	342,782,191\$284

Expenditure	Gold	Currency
1894.....		372,750,719\$625
1895.....		344,767,322\$423
1896.....		386,605,090\$654
1897.....		381,549,784\$952
1898.....		387,671,438\$571
1899.....		235,369,247\$492
1900.....	41,892,150\$276	172,733,987\$717
1901.....	47,493,241\$175	231,429,211\$524
1902.....	34,574,624\$659	236,458,861\$592
1903.....	48,324,641\$880	291,198,959\$733
1904.....	48,476,413\$199	352,292,146\$635

[To be continued.]

Money Market

QUOTATIONS DURING WEEK CLOSING SEPTEMBER 1st, 1905. WEEK AS FOLLOWS:— (COMPILED, BY PERMISSION, FROM THE FIGURES GIVEN DAILY IN THE JORNAL DO COMMERCIO)

Maximam and Minimum Bank Counter Drawing Rates	90 d/s	Hamburg	Paris	London	OFFICIAL RATES				
					90 d/s	3 d/s	SIGHT	Against Sep.	
New York	reís	2,795	2,805	2,795	17 3/4	17 1/2	17 1/2	17 1/2	17 1/2
Portugal	%	286	286	286	17 3/4	17 1/2	17 1/2	17 1/2	17 1/2
Italy	reís	541	541	541	17 3/4	17 1/2	17 1/2	17 1/2	17 1/2
Hamburg	reís	602	602	602	17 3/4	17 1/2	17 1/2	17 1/2	17 1/2
Paris	reís	537	537	537	17 3/4	17 1/2	17 1/2	17 1/2	17 1/2
London	d.	17 3/4	17 3/4	17 3/4	17 3/4	17 1/2	17 1/2	17 1/2	17 1/2

Extremes at which business was done during the week ended September 1st were 17 1/8-18 1/8 for 90 d/s Bank paper and 17 1/2-18 1/2 d. for private.
 The average Bank 90 d/s counter drawing rate for the week comes out at 17 7/8d., the corresponding sight rate being 17 1/4d. against 17 1/2d. the average sight rate of the *Camara Syndical*.
 The average depreciation for the week, calculated on the basis of the Bank's sight rate, is 34.02% and the premium on gold 51.57% against 34.83% and 53.46% last week. At these rates:

1 £.....	was worth	134474	against	134641	last week
1 shilling.....	"	\$674	"	\$682	"
1 penny.....	"	\$656	"	\$657	"
1 Franc.....	"	\$536	"	\$542	"
1 Mark.....	"	\$661	"	\$669	"
1 U. S. Dollar.....	"	28775	"	28509	"
1 20000 coin.....	"	304316	"	304693	"

THE BRAZILIAN REVIEW

Saturday, September 2nd, 1905.

On Monday the market opened with the Republica drawing at 17 7/8d., in which the River Plate and German Bank shortly followed; the other banks giving 17 27/32d., and private paper being done at 17 29/32d. and 17 15/16d. These rates were maintained all the morning, and there was scarcely any movement. Later there were no private bills offering at above 17 29/32d., but the Republica, and perhaps the River Plate, continued to draw at 17 7/8d., and the other banks at 17 27/32d., till the close.

On Tuesday the market opened with the Republica and River Plate drawing at 17 7/8d. and the other banks at 17 27/32d., private paper being done at 17 29/32d. and 17 15/16d. The market was inactive during the morning but, bills appearing later, it became more animated, with all the banks drawing at 17 7/8d. against private at 17 15/16d. At the close the Republica and River Plate were drawing at 17 29/32d., private bills were offering at 17 15/16d. and business was doing at 17 31/32d. Small movement.

On Wednesday the market opened with the Republica drawing at 17 15/16d., and the other banks at 17 29/32d. against private paper at 18d. There was a pronounced upward tendency and rates constantly advanced, owing, it was reported, to repeated offers of bills both from North and South. The market closed with banks at 18 1/16d. and business doing in private at 18 1/8d. and 18 5/32d. The movement was regular.

On Thursday the market opened with the banks generally drawing at 18 1/16d., and private quoted at 18 1/8d. and 18 5/32d. Rates continued to firm until most of the banks were drawing at 18 1/8d., with business in private at 18 3/16d. and 18 7/32d. After 2 p. m. the banks weakened rapidly to 18d. in nearly all, when money appeared for private at 18 1/16d. At the close the market was steeper, with 18d. frankly, in the banks, and private difficult to pass at 18 3/32d. There was again a fair movement.

On Friday the market opened with all the banks drawing at 18d., but the Republica soon raised its rate to 18 1/32d. and later to 18 1/16d. There was scarcely anything doing, there being few takers, and rates gradually firmed, the market closing with all the banks drawing at 18 3/32d., sellers of private at 18 1/8d. and 18 5/32d., according to terms, and money in the banks at 18 3/16d.

On Saturday the market opened with the Republica's official rate at 18 3/32d., the River Plate and British at 18 1/8d. and the others at 18d. Business opened with transactions in Bank paper at 18 1/16d. and 18 3/32d., few bills being offered at 18 1/2d. The market soon weakened to 18d. nominal in the Bank with business done in private at 18 1/16d., but a little later the Banks drew again freely at 18d. and private bills were quoted at 18 1/16d. to 18 3/32d., which rates were sustained with little doing until after 2 p. m. when the market suddenly declined to 17 29/32d. for Bank Bills and then in one jump to 17 25/32d. and 17 15/16d. private bills being done at 17 7/8d. At the close the market recovered to 17 7/8 d. for Bank paper and with Bank not taking under 18d.

A week of sensation!

Like a bolt out of a clear sky, when everything looked blooming and rates were being cheerfully pushed skywards, they chopped suddenly on Thursday like lead from 18 1/8d to 18d. to gradually recover again and reach 18 3/32d on Friday.

Recovering from their surprise the "bulls" took heart and began selling merrily again, when on Saturday the *quasi* resignation of Seabra & Co was made a fresh excuse for giving speculation a lesson and rates flopped down in two hours to 17 13/16d. Bank.

At this rate very little was really taken, and coffee bills being offered freely at 17 7/8d. the Bank of Republica was forced to raise its rate again and closed drawing freely at 17 7/8d.

The resignation of the Minister of Interior, and his followers, the chief of police and commandant of the brigade was the ostensible excuse but does not seem to us sufficient explanation of the slump, though it may have been utilized by the Bank of the Republic.

At a matter of fact there was no scare and in some banks no money at all was found.

In fact, as soon as the Bank of the Republic stopped chopping its rate the market firmed up immediately and plenty of bills were forth-coming. The market is getting used to these freaks and does not pay much attention, knowing that whatever happens £14,000,000 or £15,000,000 of Coffee and Rubber bills alone have to be disposed of during the next four months, not to mention Sugar, Cotton &c.

The exports from September to December for the last four years was as follows.

	1901	1902	1903	1904	Average 4 years
September..	8.7	3.2	3.4	4.6	3.7
October ..	5.1	3.8	3.8	3.9	4.1
November ..	4.6	8.1	3.3	4.0	4.0
December ..	4.5	2.4	3.8	4.7	3.9
	17.9	18.5	14.3	16.6	16.7

Prices of both coffee and rubber are at present higher than last year and it is reasonable to expect that they will yield considerably more, unless shipments of coffee should not come up to the average volume.

The market is believed to be oversold here to about 1 or perhaps 1 1/2 millions sterling but at Santos seems pretty even. For the next four months we can, therefore, look for an average of 3 1/2 million pounds sterling per month from coffee and rubber alone and is more than sufficient to satisfy the market demand and leave something considerable over after liquidating the oversale. It will then depend whether the directors of the Bank or the Republic determine to lay in a stock of bills against the lean time coming next year, whether the rates will boom again or not. At present the action of the Bank does not seem to point that way, on the contrary it would look as if they wished to draw, in which case we doubt if the rate can be kept down very long.

In our opinion either the Bank must buy freely or rates must rise. The rumours rife yesterday were purposely made much more alarming than there was any warrant for. If Seabra with his *fidus Achates* were to resign the world would not come to an end on that account as even if, as has been hinted, Dr. Rodrigues Alves threw up the sponge in disgust some one would be found to carry on business at the Cattete and, in fact, as Affonso Penna would probably resign too, so as not to lose his nomination for the coming term, Pinheiro Machado as President of the Senate would have to replace him and would then have his way unopposed. That would scarcely suit S. Paulo or Rodrigues Alves. But apart from interested motives we believe that Dr. Rodrigues Alves is far too patriotic to risk the throwing the administration into confusion out of pique. But were it to come to the worst, no change even of Presidents can alter the fact that we are likely to have more bills than we know what to do with during the next 4 or 5 months, as in 1895, when exchange rose steadily whilst the rebels were bombarding Rio, it is quite possible that exchange might rise instead of falling. The great desideratum is that there should be some continuity of policy at the Treasury and the Bank and, whoever succeeds to the present administration, it is not likely there will be much alteration in that sense.

It was expected that the balance sheet of the Bank of the Republic would show a considerable decrease in the cash. The shrinkage, however, is very small the total for the two accounts being 92,628:102\$ as against 98,183:620\$ for July a shrinkage of only 5,555:518\$. The balance sheets of the local branches of the foreign Banks also show an improvement.

	31 July	31 August
London and Brazilian Bank.....	8,878:1588	10,044:9788
" " River Plate Bank.....	6,772:5968	11,017:3918
Brazilianische Bank.....	7,228:7498	6,583:5798
British Bank.....	2,129:7038	2,668:1228
	25,004:1168	30,309:0108

The balance sheet of the Bank of the Republic shows a nett debit of 4,935:209\$ to agents as against that of 3,703:125\$ on 31st July. Deposits compare as follows:

	31 July	31 August
Without interest.....	28,855:5278	25,269:0828
With.....	63,494:7468	51,668:1968
	82,350:2678	76,931:2788
Accts. current abroad.....	352:1378	269:2638
Bills at interest.....	1,678:1938	1,507:1878
	84,380:5848	78,901:7348
Treasury in a/c current.....	17,649:0658	18,894:3328
	102,029:6498	97,196:0668

The value of coffee shipped for the week ended September 1st was £679,222 as against £551,520 for the previous week and £627,442 last year.

At the general meeting of shareholders of the Bank of the Republic, it was agreed to accept the conditions offered by Government on condition of raising the offer for the assets of the Bank. This has been accepted by the President and Minister of Finance, and the assets will be taken over at 22,500 *contos* instead of 20,000 *contos*, or in other words, the actual shareholders will receive 45\$000 per share of 200\$000. The Treasury will come in with a similar amount and, with 25,000 *contos* to be offered to the public, the capital will be raised to 70,000:000\$. The President and exchange Director will be nominated by the Treasury and receive, the first 50:000\$ *per annum* and the latter and three other directors, 40:000\$ each without percentage on profits.

BUSINESS DONE ON THE RIO STOCK EXCHANGE During the week ended September 1st, 1905

Table with columns: DESCRIPTION, Sales, Highest, Lowest, CLOSING (This week, Last), Date of last. Includes Government Securities, Railways & Tramways, Bank, Cotton Mills, Insurance, Debentures, and Miscellaneous.

Summary table showing the total business done on the Rio de Janeiro Stock Exchange amounting to 2,310,774,000 distributed as follows: Government securities, Bank shares, Railway & Tramway shares, Cotton Mills, Insurance, Debentures, and Miscellaneous.

BUSINESS DONE ON THE S. PAULO STOCK EXCHANGE During the week ended September 1st, 1905

Table with columns: DESCRIPTION, SALES, HIGHEST, LOWEST. Includes S. Paulo Municipality 7th loan, Companhia Paulista, Banco de S. Paulo, and Mortgage Bonds.

The business done on the São Paulo Stock Exchange amounted to Rs. 499,858,000 distributed as follows:

Summary table for São Paulo Stock Exchange: Government Securities (36,220,000), Railway Shares (261,896,000), Bank Shares (131,538,000), Mortgage Bonds (70,193,000), Total (499,858,000).



CAXAMBÚ THE SOVEREIGN TABLE WATER

Price Rs. 28\$000

Returning the case and bottles less:

Rs. 6\$000

Rua General Camara, 11

Balance Sheets

London and River Plate Bank, Limited

Table showing Capital (£ 1,500,000), Capital paid-up (900,000), and Reserve fund (1,000,000).

BALANCE SHEET OF THIS BRANCH AUGUST 31ST, 1905

Assets table for London and River Plate Bank, including Bills discounted, Bills receivable, Loans, and Sundry accounts.

Liabilities table for London and River Plate Bank, including Declared capital, Deposits, and Sundry accounts.

E. & O. E.—Rio de Janeiro, September 2nd, 1905. For the London & River Plate Bank, Limited (Signed) C. D. Simmons Manager; E. A. Tootal Acting-Accountant.

London & Brazilian Bank, Limited

Table showing Capital (£ 1,500,000), Capital paid-up (750,000), and Reserve fund (650,000).

BALANCE SHEET, AUGUST 31ST, 1905

Assets table for London & Brazilian Bank, including Capital uncalled, Bills discounted, and Loans.

Liabilities table for London & Brazilian Bank, including Capital, Deposits, and Accounts current.

E. & O. E.—Rio de Janeiro, September 2nd, 1905. For the London & Brazilian Bank, Limited. (Signed) F. Board, Manager; A. G. C. Blake, Accountant.

Brasilianische Bank Für Deutschland BALANCE SHEET, AUGUST 31ST, 1905

Assets table for Brasilianische Bank Für Deutschland, including Accounts current guaranteed, Bills discounted, and Loans.

Liabilities

Liabilities table for London & River Plate Bank, including Capital, Accounts current, and Deposits.

E. & O. E.—Rio de Janeiro. Theil John, Director.

S. PAULO

London and River Plate Bank, Limited

ESTABLISHED IN 1862

Table showing Capital (£ 1,500,000), Capital paid-up (900,000), and Reserve fund (1,000,000).

BALANCE SHEET OF THIS BRANCH AUGUST 31ST, 1905

Assets table for London and River Plate Bank, including Bills discounted, Bills receivable, and Loans.

Liabilities table for London and River Plate Bank, including Declared capital, Deposits, and Sundry accounts.

E. & O. E.—S. Paulo, Sept. 2nd, 1905. For the London and River Plate Bank, Limited, (Signed) A.H. Butler, Manager.—E. C. Bowra p. Accountant.

Banco da Republica do Brazil

OLD ACCOUNT

BALANCE SHEET, AUGUST 31st, 1905.

ASSETS		
Bank securities:		
Federal and State Bonds.....	18,264,990\$700	
Federal Bonds, shares and debentures of Banks and Companies.....	35,989,309\$743	54,254,300\$533
Bills discounted:		
Not matured, with 2 endorsements.....	158,250\$000	
Not matured, with 1 endorsement.....	116,250\$000	274,500\$000
Bills deposited:		
Matured.....	78,340\$620	
Not matured.....	163,000\$000	241,340\$020
Bills receivable.....		36,880\$000
Securities in Liquidation:		
Value of the securities.....	23,844,443\$395	
Less:— Old premium in this a/c.....	11,453,747\$770	12,390,695\$625
Accounts current, guaranteed:		
Debtors, with guarantee.....	11,798,212\$673	
Debtors, under judicial process.....	22,584,464\$258	
Debtors, in accord with Bank.....	3,236,538\$045	
Debtors, in liquidation.....	47,182,032\$075	84,801,247\$051
Less:— Old premium in this account.....	35,298,184\$737	49,503,062\$314
General Accounts Current:		
Debtors.....		15,989,886\$223
Accounts current:		
Debtors.....		1,655,919\$801
Accounts Current of Aid to Industries:		
Debits from liquidations of <i>bonus</i> loans.....		1,337\$040
Loans to industries:		
Capital.....	4,612,026\$260	
Interest.....	782,946\$270	5,394,972\$530
Agricultural Loans in Northern States:		
Balance of this a/c.....		229,700\$737
Agencies: Debit balance.....		79,094\$993
Real Estate: Balance of this a/c.....		9,683,073\$825
Bank Edifices.....		1,339,006\$900
Furniture.....		100,000\$000
Values deposited:		
As commercial security.....	176,799,963\$776	
Belonging to sundry parties.....	14,830,104\$882	191,630,158\$658
Repossession exchange (procurações).....		562,604\$950
Shares redeemed: (for redemption of capital) fraction of 0.30.....		1,120\$000
Redemption: of 3 %₁₀₀ inscriptions during July.....		425,200\$000
Liquidations: in accord with Law 689 of Sept. 20, 1900 (inscriptions deliverable).....		979,800\$000
Cash, Currency.....		5,334,551\$148
		349,498,207\$397

LIABILITIES

Capital.....		100,000,000\$000
Profit and loss.....		17,237,660\$627
Deposit: for redemption of hypothecary notes ex-Banco do Brazil.....		2,900\$000
Special creditors, in accord with Law 689 of Sept. 20th, 1900: Balance of liquidation of inscriptions and in cash.....		997,389\$749
Privileged creditors:		
By judicial deposits.....	354,755\$328	
By deposits in account current, without interest.....	331,326\$429	689,081\$757
Companhia Lloyd Brasileiro, in judicial liquidation.....		57,673\$064
Accounts current on loans to industries:		
Amount to strike from debit of <i>maturações</i>		476,540\$927
General accounts current: Credit balances.....		2,367,517\$725
Bank dividends unpaid.....		152,555\$000
Deposits of values, as stated in Assets.....		191,630,158\$658
Issue of 3 %₁₀₀ bonds (inscriptions).....	121,845,000\$000	
Less:— Redeemed up to July.....	86,768,290\$000	35,076,800\$000
Interest on 3 %₁₀₀ inscriptions: Balance payable.....		755,817\$000
Profit on redemption of 3 %₁₀₀ bonds (inscriptions).....		54,143\$790
		349,498,207\$397

NEW ACCOUNT

BALANCE SHEET, AUGUST 31st, 1905.

ASSETS		LIABILITIES	
Accounts Current, guaranteed.....	8,152,408\$666	Accounts current, without interest.....	25,269,082\$462
Bills discounted.....	5,940,514\$709	Accounts current, with interest.....	21,665,196\$495
receivable.....	146,355\$739	Accounts current foreign.....	260,268\$292
Securities pledged.....	25,342,378\$401	Agents, in Brazil and in Europe.....	72,043,777\$844
deposited.....	70,351,517\$871	Bills, at interest.....	1,107,187\$900
Agents:		Deposits, securities, etc.....	95,693,893\$272
In Brazil and in Europe.....	67,108,568\$199	Federal Treasury:	
Securities belonging to the Bank (€ 1,130,000 at 27d.).....	10,045,700\$000	In current account.....	18,894,332\$944
Other securities.....	439,722\$120	Money at fixed maturity.....	10,000,000\$000
	10,485,422\$120	Exchange n/c..... (€ 1,000,000 at 27d.)	8,888,888\$880
Accounts current with interest: Debtors with guarantee.....	7,991,448\$730	Municipality of Rio de Janeiro: interest on Bonds.....	393,688\$000
Securities in liquidation.....	1,596,258\$666	Profit & Loss.....	1,157,730\$885
Sundry accounts.....	1,794,500\$557	Judicial deposits.....	738,882\$170
Cash: In current money.....	87,293,551\$586		
	286,112,929\$244		286,112,929\$244

Rio de Janeiro, September 2nd, 1905.— Custodio Coelho—L. Duque Estrada—Bulhões Carneiro, Directors.— A. Mesquita, Chief accountant.

Coffee Market

COFFEE ENTRIES

	FOR THE WEEK ENDED			FOR THE CROP TO	
	Sept. 1 1905	Aug. 25 1905	Sept. 2 1904	Sept. 1 1905	Sept. 2 1904
Rio					
By Central R'y.....	58,888	59,804	52,471	368,863	393,186
Leopoldina R'y.....					
Inland.....	4,129	46,921	37,180	271,569	215,751
Coastwise, discharged.....	3,265	4,568	11,272	21,746	41,925
Total.....	66,282	111,293	100,923	662,178	651,862
Transferred from Rio to Nietheroy.....	4,891	2,011	1,932	17,680	14,323
Net Entries at Rio.....	109,554	109,282	101,991	644,168	598,569
Coastwise, in transit.....	20.0	1,000	5,000	17,660	14,504
Nietheroy from Rio & Leopoldina R'y.....	7,363	4,482	2,669	39,291	23,905
Total Rio including Nietheroy & transit..... Santos.....	109,916 399,426	117,764 399,136	109,930 351,006	674,759 1,843,378	596,978 2,338,978
Total Rio & Santos.....	410,312	426,900	461,926	1,738,157	2,295,956

The coast arrivals for the week ended September 1st, were from:—

S. João da Barra.....	3,246
Macacé.....	1,298
Itapemirim.....	721
Total.....	5,265 bags.

The total entries by the different S. Paulo Railways for the Crop to September 1st 1905 were as follows:—

	Per				Remaining
	Past	Soroanbana	Total at	Total at	at
	Jundiahy	and others	S. Paulo	S. Paulo	S. Paulo
1905/1906:	1,745,333	113,998	1,859,331	1,843,378	15,953
1904/1905:	2,426,648	250,272	2,676,920	2,328,978	347,942

COFFEE LOADED (EMBARQUES)

	DURING WEEK ENDED			FOR THE CROP TO	
	1905 Sept. 1	1905 Aug. 25	1904 Sept. 2	1905 Sept. 1	1904 Sept. 2
Rio.....	55,560	58,820	79,179	578,579	593,211
Nietheroy.....	2,750	3,279	1,029	20,997	17,598
In transit.....	2,000	1,000	5,000	17,000	14,504
Total Rio including Nietheroy & transit..... Santos.....	60,310 222,429	63,099 163,841	75,196 222,199	596,473 1,239,574	595,699 1,431,209
Total Rio & Santos.....	324,439	298,960	294,675	1,836,047	2,066,916

Rio de Janeiro, September 2nd 1905.

Entries at Rio and Santos for the week ended September 1st were 16,558 bags less than previous week's and 59,681 less than for the corresponding week last year.

For the crop, entries show 410,312 more than for the previous week; but 3,978.89 less than for the corresponding week last year. Shipments (embarkings) for the week improved, being 61,509 more than last week and 21,784 more than for the same date last year.

Sales were larger, 73,019 more being declared than for the previous week.

Prices declined slightly, the average for Rio No. 7 being 4584 as against 18732 for the preceding week and 65747 last year. At New York prices remained unaltered at 8.87 cts.

Stocks increased and on the 1st inst showed 115,372 bags more than the week before, but 255,821 less than for the corresponding date last year.

Nothing more has been heard of the Syndicate scheme which sleeps and unless Americans stir it up to action with a duty will probably sleep the sleep of the impracticable in Minister's pigeon holes. In fact it never had a real chance.

From what has transpired it seems to be the fruit of the genius of Dr. Ramos who went with Dr. Bernardino to Europe, then to Central America and the United States to investigate coffee.

This is the result!

A cable from the United States says that the Senate there threatens that if we do not let in American flour free of duty, a tax will be put on coffee.

Let them tax! It is American consumers and the Brazilian producers that will pay for it or have to drink less coffee.

Anyhow with consumption away and beyond production it does not much matter what they do, for as soon as the surplus for 1901/1902 is worked off coffee is going up and Americans have got to buy it.

The weather in Rio and Minas is mild and suited to bring the flowering which may be expected any moment.

At São Paulo the weather has been dull, cloudy and cold and the flowering may be more delayed. There is every prospect of its being a good one which means that it may give 12,000,000 bags.

It is really wonderful how these markets have stood out and compelled consuming markets to raise their offers as exchange has risen and leads to the conclusion that with better banking facilities these markets would be able to dictate terms. There is no doubt now that the coffee is on the upward track, there may be an occasional set-back but in the long run prices will react and go up because the rubicon is passed and production has fallen below consumption.

With some help in carrying stocks on this side instead of in Europe we have no doubt the pace might be forced, but forced or not prices are broadly like cotton, on the rise.

European markets are curious as to the next flowering and a number of agents have arrived to make enquires, amongst others Mr. Nortz, who has already returned to Havre and Mr. Arnold who has just arrived from Hamburg and will soon leave for the Interior.

	Commissarios Prices	Shippers Prices
August 23.....	68500	68800
» 29.....	68800	68700
» 30.....	68700	68600
» 31.....	68700	68500
Sept. 1.....	68700 to 68800	68700
2.....	68800	68700

Santos, September 1st, 1905.

The evening of August 29th, brought us a freak in the market, the decline being about 150 rs per 10 kilos.

Generally speaking the offerings are bigger than the demands and the exporters are not daily free buyers as yet. Declines of this kind may be often expected, as the position of Commissarios is not a strong one at present. With large receipts, they have got to get rid of some coffees every day practically and unless foreign markets buy more freely, we do not see any help for coffee prices here with exchange rising, as it is. Exchange is 18 1/8 private, with indications for a further rise.

The new plan for the valuation of coffee lets Commissarios live in hopes, whilst other coffee people think very little about the matter and take it for what it is worth.

New York type 4 was dealt at 48450 for September, 48500 for October and 48550 for December.

Business only one day was more active, i.e. August 29th. Exporters Superiors are worth 48350 to 48400, Goods 150 to 200 rs less and Primes 150 rs more.

Regulars fetch a relatively high price say 48000 and New York types 7 and 8 find ready buyers. Specialities are entirely neglected. Peaberies shared also in the decline and Superior Peas do not award higher rates than 58200 to 58300.

Hamburg sent orders at 42/6 for Superiors but block orders like in former years are not often received and if at all at lower limits. Receipts are on their regular basis, but shipments still continue poor. Our stock is increasing steadily and amounts today to 1,360,365 bags of which 750,000 may be in first hands. Receipts for September may be estimated at 1,300,000 bags.

The Santos stands still at 450 rs.

We had no August flowering to speak of but the pro-prospects for the September flowering are favourable; this flowering, however, will be the only big one this year, being the one of decisive importance for the size of next year's crop.

Weekly Report of the Companhia Registradora de Santos. Sales registered on the basis of New York Exchange Standard No. 4.

By Cable:

Sales for the week ending September 2nd.....	41,000 bags
Closing quotations for October.....	48450
" " " " December.....	48550

Sr. Joaquim Lacerda, one of our first authorities on coffee, writes us as follows:

"The 1905/1906 crop is causing much disappointment. It will in my opinion be 20% less than the last crop. As regards the coming 1906/07 crop the July-August frost did not cause much damage where the coffee was already formed, but as the cold has been intense all over the State it must have done great damage to the trees that were in flower, as occurred in 1902 when the trees were in full bloom. In consequence of the frost in 1902, the 1907/08 crop gave only 6,400,000 bags and next year it is quite possible history will repeat itself."

Reports are being diligently circulated, with what object we will not analyse, to the effect that the States of São Paulo, Minas and Rio de Janeiro have all agreed to back the proposal for the monopoly of coffee, of which we gave particulars last week, and that the Federal Government is also inclined to join.

As regards Rio de Janeiro, we are in a position to state positively that there is not and never was any intention to participate in so hatched a scheme and, although not absolutely disclaimed by Dr. Rodrigues Alves, nothing has yet transpired to make us believe that he is likely to be more complacent.

Referring to the scheme for monopolisation of coffee, which we understand is the production of Dr. E. Ramos, regarded in S. Paulo as a specialist on the subject, the *Commercio de S. Paulo* insists that the scheme has the support of the Government of Rio de Janeiro as well as of Minas and S. Paulo.

As regards Minas we cannot say, but are quite certain that the present Governor of Rio de Janeiro, Dr. Nilo Peçanha has never given it his sanction and never will.

The scheme is outrageous from its conception to the mechanism for execution and its discussion is but labour lost. Whatever vague promises may have been made, it will never be realized because no capitalists will be found foolhardy enough to undertake such obligations. The wonder is that anywhere, out of a mad house, people could be found to even discuss it.

— The only practical, common-sense administrator amongst us seems to be Dr. Nilo Peganha. He at once put his finger on the weak point and refused to give up all his promising policy of reduction and final abolition of duties on exports with which his whole administration is identified. It is a pleasure to find some one who believes more in principles than profit and refuses to be seduced by opportunism however promising.

— Dr. Nilo Peganha believes that the future of coffee here lies in improving the quality. As production falls off year by year in the State of Rio de Janeiro, the flavour and aroma of the coffee improves. It is more appreciated and searched for in Europe.

The chief thing, he rightly believes, is to improve the appearance of the coffee, bringing it up to the level of Porto Rico, Guatemala etc. in order to command much higher prices. The samples of those coffees he showed us certainly far surpass in appearance anything produced here.

The machinery used to give those Central American coffees that splendid appearance is German, and is said to be far more effective than any other. In imitation of the policy which proved successful with Rio, Dr. Nilo Peganha now proposes to start well equipped mills at central points on the different railways for rebeneficiamento) of the coffees previous to their arrival in this market.

The idea seems practical and deserves to be seriously considered. No doubt our coffees are capable of being vastly improved. That is demonstrated by the experience of the Dumont Co., which by better treatment gets 5/ per cwt. more than the average of price for Santos coffee.

‘Superaris’ Harmless but exhilarating!

“SUPERARIS” Is up to you.

MANIFESTS OF COFFEE

During the Week ended September 1st, 1905

RIO DE JANEIRO

DATE	NAME OF VESSEL	DESTINATION	SHIPPERS	BAGS	TOTAL
Aug. 12	Equità	Genoa	Roberto do Couto & Sundry	1,500	3,000
do	do	do	do	1,500	
26	Easter Prince	New York	Eugen Urban	300	
do	do	do	Ornstein & Co	1,000	
do	do	do	Gustav Trinks & Co	250	
do	do	do	W. F. McLaughlin & C.	1,500	
do	do	do	C. Dabelow	242	3,292
26	Haituba	Pelotas	Zenlia Ramos & Co	40	
do	do	do	Castro Silva & Co	100	
do	do	Porto Alegre	Zenlia Ramos & Co	20	
do	do	do	Siqueira & Co	20	
do	do	do	Castro Silva & Co	750	
do	do	Rio Grande	Siqueira & Co	217	
do	do	do	Castro Silva & Co	25	
do	do	Pelotas	Siqueira & Co	83	1,618
26	Caldeon	New York	Arbuckle & Co	11,000	
do	do	do	Hard, Rand & Co	9,118	
do	do	do	W. F. McLaughlin & C	3,000	
do	do	do	Faria & Co	1,500	
do	do	do	Ornstein & Co	1,250	
do	do	Delagoa Bay	Hard, Rand & Co	500	
do	do	Port Natal	do	250	
do	do	East London	Pinto & Co	125	23,773
27	Milton	New Orleans	Ornstein & Co	4,500	
do	do	do	Theodor Wille & Co	4,950	
do	do	do	Faria & Co	1,500	
do	do	do	Prado, Chaves & Co	1,000	
do	do	do	Hard, Rand & Co	1,000	
do	do	do	Norton Meg & Co, Ltd	500	
do	do	do	C. Dabelow	250	12,800
30	Thames	Algoa Bay	Norton Megaw & Co	500	
do	do	Capetown	Pinto & Co	500	1,000
30	Danubé	Buenos Aires	Ornstein & Co	585	
do	do	do	Theodor Wille & Co	100	
do	do	do	Roberto do Couto & C	425	
do	do	do	E. Ashworth & Co	375	1,485
30	Maranhão	Maranhão	J. Dias & Irmão	180	
do	do	do	Siqueira & Co	75	255
Sept. 1	Santos	Antouma	do	20	
do	do	S. Francisco	Gustav Trinks & Co	25	45
1	Asuncion	Hamburg	Ornstein & Co	1,800	
do	do	do	Gustav Trinks & Co	1,301	
do	do	do	Theodor Wille & Co	1,375	
do	do	do	Eugen Urban	1,250	
do	do	do	Prado, Chaves & Co	1,250	
do	do	do	Pinto & Co	250	
do	do	do	Sundry	249	7,715
1	Fagnudes l'arella	Manaos	Jorge Dias & Irmão	40	
do	do	do	Pinto & Co	115	
do	do	do	Zenlia Ramos & Co	160	
do	do	do	Siqueira & Co	250	
do	do	Maranhão	Ornstein & Co	95	
do	do	do	Siqueira & Co	20	
do	do	Para	Ornstein & Co	350	
do	do	do	Pinto & Co	100	
do	do	do	Zenlia, Ramos & Co	730	
do	do	do	J. Dias & Irmão	1	
do	do	do	Gustav Trinks & Co	80	
do	do	do	Siqueira & Co	405	
do	do	do	Ornstein & Co	100	
do	do	Ceará	Zenlia, Ramos & Co	230	
do	do	do	Siqueira & Co	210	
do	do	Pernambuco	Pinto & Co	1,500	
do	do	do	Carlo Faria & Co	250	
do	do	do	J. Dias & Irmão	25	
do	do	do	Siqueira & Co	50	
do	do	Maceió	Zenlia, Ramos & Co	43	
do	do	do	Siqueira & Co	40	4,855
			Total		61,898

SANTOS

DATE	NAME OF VESSEL	DESTINATION	SHIPPERS	BAGS	TOTAL
Aug. 25	Hotan	New York	Theodor Wille & Co	17,500	
do	do	do	Prado, Chaves & Co	5,285	
do	do	do	Baldwin & Co	1,750	
do	do	do	W. F. McLaughlin & Co	1,010	
do	do	do	Lion & Co	100	25,670
27	Saturno	Montevideo	Krische & Co	184	
do	do	Buenos Aires	do	828	1,012
29	Tennison	New York	N. Gepp & Co, Ltd	4,000	
do	do	do	Hard, Rand & Co	2,641	
do	do	do	W. F. McLaughlin & Co	2,271	
do	do	do	The Hills Bros Co	2,160	
do	do	do	Prado Chaves & Co	1,000	
do	do	do	Zerrenner Bulow & Co	1,000	
do	do	do	Baldwin & Co	295	
do	do	do	Krische & Co	230	
do	do	do	Henry Woltje & Co	250	13,840
29	Thames	Southampton	E. Johnston & Co	10	
do	do	do	Sundry	1	11
30	Danubé	Buenos Aires	Krische & Co	858	
do	do	do	Sundry	1,206	2,064
30	Asuncion	Hamburg	Theodor Wille & Co	10,700	
do	do	do	E. Johnston & Co	5,500	
do	do	do	Prado, Lima & Co	4,500	
do	do	do	Baldwin & Co	4,000	
do	do	do	N. Gepp & Co	3,750	
do	do	do	Prado, Chaves & Co	3,000	
do	do	do	W. Hotel & Co	3,000	
do	do	do	Nossack & Co	2,500	
do	do	do	Haworthy Ells & Co	2,500	
do	do	do	Barbosa & Co	1,750	
do	do	do	Schmidt & Trost	1,625	
do	do	do	Henry Woltje & Co	1,500	
do	do	do	Hard, Rand & Co	500	
do	do	do	J. Ferreira & Co	400	
do	do	do	Zerrenner Bulow & Co	250	45,595
30	Niteroi	Marseilles	Nossack & Co	125	
do	do	do opt	Prado, Chaves & Co	3,000	
do	do	do	Prado, Lima & Co	2,875	
do	do	do	Theodor Wille & Co	2,600	
do	do	do	Barbosa & Co	625	
do	do	do	Diogenes Ferreira & Co	500	
do	do	Smyrna	Prado, Chaves & Co	4,250	
do	do	Alexandria	do	500	
do	do	Constantinople	do	500	14,375
31	Racenna	Genoa	Diogenes Ferreira & Co	1,500	
do	do	do	Nossack & Co	1,000	
do	do	do	Hard Rand & Co	750	
do	do	do	Theodor Wille & Co	250	
do	do	do	Fratelli P. Carb. & Co	250	
do	do	do	Martelli & Co	55	
do	do	Naples	Frat. P. Carbone & C	250	
do	do	do	Diogenes Ferreira & Co	3	
do	do	Liborno	Fratelli P. Carb. & Co	16	4,074
			Total		106,587

The coffee sailed during the week ended September 1st, was consigned to the following destinations

	UNITED STATES	EUROPE & MEDITERANEAN	COAST	RIVER PLATE	CAPE	OTHER PORTS	TOTAL FOR WEEK	CROP TO DATE
Rio	45,865	10,715	6,773	1,485	—	—	64,838	547,317
Santos	29,516	63,995	—	3,076	—	—	106,587	1,115,879
Total	75,381	74,710	6,773	4,561	—	—	171,325	1,663,196
1904/1905	139,813	65,967	4,188	1,882	850	703	216,400	1,914,373

VALUE OF COFFEE CLEARED FOR FOREIGN PORTS Week ended

	Sept. 1	Aug. 25	Sept. 1	Aug. 25	Crop to Sept. 1	
	Bags	Bags	£	£	Bags	£
Rio	58,065	108,023	129,241	243,201	485,595	1,042,392
Santos	106,587	226,055	218,253	468,691	1,114,984	2,253,003
Total 1905/1906	164,652	334,078	347,494	711,892	1,600,579	3,295,395
do 1904/1905	211,912	370,508	411,065	737,670	1,875,240	3,613,354

MONTHLY ENTRIES

IN BAGS OF 60 KILOS

MONTHS	RIO		SANTOS		BOTH	
	1905-1906	1904-1905	1905-1906	1904-1905	1905-1906	1904-1905
July	250,629	185,677	668,171	809,167	919,097	994,844
August	424,857	371,765	1,127,172	1,402,060	1,552,029	1,773,825
September	—	439,854	—	1,316,587	—	1,756,441
October	—	351,469	—	1,095,873	—	1,447,342
November	—	292,697	—	706,373	—	999,070
December	—	232,432	—	684,112	—	916,544
January	—	290,868	—	374,609	—	665,477
February	—	166,447	—	268,615	—	435,062
March	—	124,992	—	288,065	—	413,057
April	—	52,703	—	149,389	—	202,102
May	—	74,312	—	162,289	—	236,601
June	—	188,951	—	231,804	—	420,755
Total for the crop	675,486	2,591,567	1,795,616	7,423,092	2,171,126	10,014,569

COFFEE PRICE CURRENT

For the week ended September 1st, 1905

DESCRIPTION	Aug. 26	Aug. 28	Aug. 29	Aug. 30	Aug. 31	Sept. 1	Averages
RIO N. 6. per 10 kilos	(min. 4,766 max. 4,831)	4,766 4,831	4,698 4,766	4,630 4,698	4,630 4,698	4,630 4,698	4,721
• N. 7 • • •	(min. 4,639 max. 4,698)	4,639 4,698	4,562 4,630	4,493 4,562	4,493 4,562	4,493 4,562	4,54
• 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	3,900	3,800	3,800	3,800	3,883
• Good Average	3,900	3,900	3,800	3,700	3,700	3,700	3,783
N. YORK per lb.							
Spot N. 7..... cent.	8 7/8	8 7/8	8 7/8	8 7/8	8 7/8	8 7/8	8,87
• 8.....	8 5/8	8 5/8	8 5/8	8 5/8	8 5/8	8 5/8	8,62
Options.....							
• Sep....	7,50	7,25	7,15	7,20	7,25	7,25	7,23
• Dec....	7,60	7,55	7,45	7,53	7,55	7,55	7,54
• March....	7,85	7,75	7,65	7,75	7,75	7,80	7,76
HAVRE, per 50 kilos							
Options..... francs.							
• Sep....	49,00	49,00	48,25	48,50	49,00	49,00	48,79
• Dec....	49,25	49,25	48,75	49,00	49,50	49,50	49,21
• March....	49,50	49,75	49,00	49,75	49,75	49,50	49,54
HAMBURG per 1/2 ct.							
Options..... pfennige							
• Sep....	39,75	39,75	39,25	39,75	39,75	39,50	39,58
• Dec....	40,25	40,50	40,00	40,25	40,25	40,25	40,25
• March....	40,75	41,00	40,50	40,75	40,75	40,75	40,75
LONDON per cwt.							
Options..... shillings							
• Sep....	39-	39,3	39,4	39,4	39,3	39,4	39,1
• Dec....	40-	40-	39,9	39,9	39,9	39,9	39,1
• March....	40,6	40,9	40,6	40,8	40,6	40,3	40,5

SALES OF COFFEE for the week ending

	Sept. 1, 1905	Aug. 25, 1905	Sept. 2, 1904
Rio.....	38,000	48,000	35,000
Santos.....	173,770	92,710	153,000
Total.....	211,770	140,710	188,000

HOURS OF RAINFALL

(By favour of the Leopoldina Railway)

STATIONS	AUGUST											
	25th	26th	27th	28th	29th	30th	31st	TOTAL				
	Heavy	Light	Heavy	Light	Heavy	Light	Heavy	Light	Heavy	Light	Heavy	Light
S. Francisco Xavier.....									10	4	14	4
Pitar.....									5		5	
Mauá.....		10	8						10		10	
Raiz da Serra.....		18							15	6	21	6
Petropolis.....		1							14		14	12
Areal.....												
S. José do Rio Preto.....												
Entre Rios.....												
Severina.....												
Socego.....												
Bicus.....												
Furtado de Campos.....												
Garany.....												
Ligação.....												
S. Geraldo.....												
Teixeiras.....												
P. Rosa.....												
Saúde.....												
Nietheroy.....			4									4
P. das Caixas.....												
Cachoeiras.....		18							6	10	16	38
Th. de Oliveira.....												
Frloungo.....												
Saudoalro.....												
Porto Novo.....												
V. Grande.....												
Recreio.....												
Leopoldina.....												
Cataguazes.....												
Mirahy.....												
Palma.....												
Extremito.....												
S. Paulo.....												
Porciuncula.....												
Santa Luzia.....												
Cordeiro.....												
Mucuco.....												
Tres Irmaos.....										1	2	2
Paraokema.....												
Larangeiras.....												
Capitão.....												
Indusasa.....												
Machê.....												
Glycerio.....												
C. Aratama.....												
Triunpho.....			2							4		6
M. Moraes.....												
Campus.....				4								4
S. Fideis.....												
S. Braga.....												
Atafona.....										4		4
Mirundú.....				4						3	4	3
Mituy.....										6		6
M. Freire.....										12		12
Paraizo.....										8		8
Itaperma.....										8		8

"SUPERARIS" After that a clear head.

OUR OWN STOCK

RIO : Stock on August 25.....	257,173
Entries during week ended September 1.....	100,553
Loaded (Embarques) and consumption for the month.....	357,726
Stock in Rio on September 1.....	253,116
Stock at Nietheroy and Afloant on Aug. 25.....	54,366
Entries at Nietheroy plus total embarques including transit.....	108,673
Deduct: embarques at Nietheroy and sailings during the week.....	67,588
Stock at Nietheroy and aflloat on Sept. 1.....	95,391
Stock in 1st and 2nd hands and those at Nietheroy and aflloat on September 1.....	348,557
SANTOS: Stock on August 25.....	1,282,008
Entries for week ended September 1.....	300,426
Loaded during same week.....	1,582,434
Stocks in Santos on September 1.....	1,360,305
Stocks in Rio and Santos on September 1st, 1905.....	1,708,862
do do on August 25th, 1905.....	1,593,487
do do on September 2nd, 1904.....	1,964,683

FOREIGN STOCKS

	Aug. 26/1905	Aug. 19/1905	Aug. 27/1904
United States Ports.....	3,386,000	3,400,000	2,469,000
Havre.....	2,372,000	2,388,000	3,382,000
Both.....	5,758,000	5,788,000	5,851,000
Deliveries United States	68,000	98,000	107,000
Visible Supply at United States ports.....	3,890,000	3,830,000	3,180,000

Shipping

ARRIVALS AT THE PORT OF RIO DE JANEIRO

During the week ended September 1st, 1905

DATE	NAME OF VESSEL	FLAG	RIG	TONNAGE	FROM
Aug. 26	Fagundes Varella	Brazilian	S. S.	710	Mãndos
26	Marom	do	do	925	Aracaty
26	Itabora	do	do	467	Pernambuco
26	Equità	Italian	do	2,191	Rosario
26	Itatava	Brazilian	do	403	Porto Alegre
26	Industrial	do	do	590	Laguna
26	Sandson	British	do	2,480	Santos
27	S. Luiz	Brazilian	do	1,165	Buenos Aires
27	Guaça	do	do	643	Paraguayá
28	Danube	British	do	3,313	Southampton
28	Wotan	German	do	1,041	Santos
28	Luiz Brazilero	Brazilian	Schooner	33	S. João da Barra
28	S. João	do	do	37	Machê
28	Vencedor	do	do	27	do
28	Joze	do	do	32	Cabo Frio
28	Aurora	do	do	33	do
28	S. Sebastião	do	do	18	do
29	Lesnauly	British	S. S.	1,697	Cardiff
29	Hera	Norwegian	do	2,516	New York
29	Paralyha	Uruguayan	do	1,040	Bahia Blanca
29	Dis	Brazilian	do	899	Porto Alegre
30	Prinz E. Friedrich	German	do	2,921	Hamburg
30	Thames	British	do	3,423	Buenos Aires
30	Rudt	Brazilian	do	164	Florianopolis
30	Tennysson	British	do	2,532	Santos
30	Teixeirinha	Brazilian	do	257	S. João da Barra
31	Amengro	British	do	2,556	Liverpool
31	Itaperma	Brazilian	do	713	Porto Alegre
31	Nivernais	French	do	1,363	Santos
31	Asuncion	German	do	3,018	do
Sept. 1	Garcia	Brazilian	do	141	do
1	Argentino	Spanish	do	2,347	Barcelona
1	Amazonas	Brazilian	do	927	Mossorô
1	Orion	do	do	988	Buenos Aires
1	Ladore	British	Barque	1,664	Antofagasta

ARRIVALS AT THE PORT OF SANTOS

During the week ended September 1st, 1905

DATE	NAME OF VESSEL	FLAG	RIG	TONNAGE	FROM
Aug. 26	Guaça	Brazilian	S. S.	277	Paraguayá
26	Prinz Waldemar	German	do	2,926	Hamburg
26	Saturno	Brazilian	do	515	Rio de Janeiro
27	Victoria	do	do	365	do
27	Garcia	do	do	1,022	do
27	Canada	Danish	do	2,797	Philadelphia
27	Rudt	Brazilian	do	164	Florianopolis
28	Nivernais	French	do	1,363	Marseilles
28	Habira	Brazilian	do	663	Pernambuco
28	Fris	do	do	887	Porto Alegre
28	St. Lavinaga	British	do	2,608	Victoria
28	Cardille	British	do	1,972	Buenos Aires
29	Thames	British	do	3,933	do
29	Wuzzburg	German	do	3,243	Bremen
29	Bety	Russian	Schooner	341	Hamburg

SAILINGS FROM THE PORT OF RIO DE JANEIRO
During the week ended September 1st, 1905

Table with columns: DATE, NAME OF VESSEL, FLAG, RIO, TON-SAGE, PORT. Lists various ships and their destinations from Rio de Janeiro.

SAILINGS FROM THE PORT OF SANTOS
During the week ended September 1st, 1905

Table with columns: DATE, NAME OF VESSEL, FLAG, RIO, TON-SAGE, PORT. Lists various ships and their destinations from Santos.

The Brazilian Government has empowered the Banco da Republica to sell the shares of the Lloyd Brasileiro to an American syndicate at 141,700 reis per share. Fairplay. Aug. 10th.

The Hamburg America Linie has just added two new vessels to its fleet, the "Blactia" and the "Rugia", which are expected at Santos this month. They are 7,300 tons each and have four cabins de luxe and accommodation for 150 first class 600 third class passengers. There are nurseries for the children, conversation room, drawing room etc.

THE FREIGHT MARKETS

British. Fairplay of August 10 says that a large business has again been done in the Black Sea direction otherwise the other markets have shown very little activity. Coal rates from Wales to Rio were 9/6, 6d. to 10/6, 3d. the Plymouth being fixed at 10/6.

Argentine. The following are the parcel rates current for Brazilian ports from B. A. with 1/2 extra from up-river ports. Bahia 22/, Pernambuco, Pelotas and Porto Alegre 20/, Antonina 10/, San Francisco 14/, Rio Grande 13/, Santos 12/, Rio 11/.

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

Table listing local market engagements with columns for ship name, destination, and quantity.

CURRENT COFFEE FREIGHT RATES

FOR THE WEEK ENDED SEPTEMBER 2th, 1905

Table showing coffee freight rates for Rio and Santos, listing various ports and their respective rates.

"Superaris" When are we going to Bahia? In a "steetle" while we'll be with you, friends.

Suez via Trieste.....	50/ & 5/0	50/ & 5/0
Salonica	52 1/2 fres. & 10 %/a	52 1/2 fres. & 10 %/a
Sulina	57 fres. & 10 %/a	57 fres. & 10 %/a
Taiacuano	45s. & 5/0	—
Taragoune.....	50 fres. in full	50 fres. in full.
Trebizond	58 fres. & 10 %/a	58 fres. & 10 %/a
Trieste.....	40/- & 5/0	35s. & 5/0
Tunis	53 fres. & 10 %/a	53 fres. & 10 %/a
Valencia.....	50 fres. in full.	70 fres. in full.
Valparaiso.....	45/ & 5/0	—
Varna	62 1/2 fres. & 10 %/a	62 1/2 fres. & 10 %/a
Venice via Genoa or Marseilles	50 fres. & 10 %/a	50 fres. & 10 %/a
Vigo.....	50.50 fres. in full.	50.50 fres. in full
Yokohama via Trieste.....	65/- & 5/0	65/- & 5/0
Zauzibar via Trieste.....	55/- & 5/0	55/- & 5/0

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

FOREIGN VESSELS AFLOAT
 IN RIO DE JANEIRO HARBOUR
 on September 1st 1905.

Steamers		Sailing Vessels	
<i>Triot</i>	Tons 2,108	<i>Idam</i>	Tons 555
<i>Potomac</i>	» 2,472	<i>Alfhild</i>	» 1,332
<i>Maria de Laurinoge</i>	» 2,578	<i>Charles Dickens</i>	» 1,305
<i>Alinc</i>	» 736	<i>King's County</i>	» 2,061
<i>Highlands</i>	» 1,233	<i>Birma</i>	» 1,346
<i>Gloscap</i>	» 1,720	<i>Fanny Breslauer</i>	» 270
<i>Corinth</i>	» 2,376	<i>Finn</i>	» 268
<i>Aragon</i>	» 5,938	<i>Bremen</i>	» 697
<i>Dartmouth</i>	» 2,125	<i>Marion Josiah</i>	» 2,257
<i>Saint Mary</i>	» 1,939	<i>Milda</i>	» 230
<i>Montsvald</i>	» 2,079	<i>White Wings</i>	» 654
<i>Roslyn</i>	» 2,395	<i>Ladore</i>	» 1,568
<i>Lionia</i>	» 1,175		
<i>Sandson</i>	» 2,480		
<i>Wotan</i>	» 1,041		
<i>Lespauly</i>	» 1,937		
<i>Horn</i>	» 2,516		
<i>Parapha</i>	» 1,940		
<i>Prinz Eitel-Friederich</i>	» 2,921		
<i>Tranquon</i>	» 2,532		
<i>Montenegro</i>	» 2,856		
<i>Argentina</i>	» 2,347		
<i>Nivernais</i>	» 1,363		
Total	Tons 50,801	Total	Tons 12,343

IN SANTOS HARBOUR
 on September 1st, 1905.

Steamers		Sailing Vessels	
<i>Maria</i>	Tons 2,370	<i>Bety</i>	» 341
<i>Prinz Waldemar</i>	» 2,926		
<i>M. Larinoge</i>	» 2,668		
<i>Cordillere</i>	» 1,972		
<i>Warsburg</i>	» 3,246		
<i>Hilleybury</i>	» 1,809		
<i>Cafre Castle</i>	» 2,954		
<i>Cowbar</i>	» 3,151		
<i>Lewisiam</i>	» 1,784		
Total	Tons 22,884	Total	Tons 341

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	17,634	122,118	83,658
Leopoldina	1,460	1,460	Aug. 26	90,394	23,157	612,105	472,828
S. Braz. Rio Grande. b	176	176	Apr.	201,122	205,342	1,055,883	1,181,899

a Earnings reported in pounds, b in mil reis.

Mining

GOLD DREDGING IN SOUTH AMERICA

The Buenos Aires correspondent of *The Financial Times* writes as follows:—

The arrival here of two engineers representing the Farrar group, who have come out to inspect and report on some of the river areas in Southern Bolivia, has created quite a flutter in the dovecots of local speculators and investors. The wildest stories are afloat as to what these gentlemen are going to do, and the prevailing opinion seems to be that London is coming into the business, which must necessarily, from the Buenos Ayres point of view, add thousands per cent. to the premiums already fixed upon gold-dredging shares. In this country mining operations have hitherto led to a total loss of the capital invested in that branch of industry, for the reason chiefly that companies were floated upon the merest prospects, and invariably without any tests of value of the ground taken up. Yet, although the majority of the recent dredging flotations

have been effected upon a more solid foundation, it is difficult to make people here understand that the great mining houses treat such enterprises as being of a nature more commercial and industrial than speculative; and on this account it should be made clear that on the basis of actual results alone will the big firms participate in the opening up of a dredging industry.

In the case of the Rio San Juan de Oro facts will shortly speak for themselves, as the dredge of the No. 2 Company of that name will be working at her proper depth in the course of a few days, and we shall then see to what extent the sanguine expectations formed in regard to this Company will be realised. The prospecting in the River San Juan de Oro has certainly been systematic, and the results obtained from test borings made by Messrs. Catten and Faithful, and other competent dredging engineers, were phenomenal in richness, showing a yield ten times higher in value than the average in New Zealand, whilst the areas owned by the companies here are many times greater than those in the British colony mentioned. These and other existing conditions, such as the evidence of hand workings of long standing, point to the conclusion that the River San Juan de Oro possesses auriferous deposits both at bedrock and in the banks; but it would be rash to assume that the results shown by the test borings will be maintained in actual dredging operations, as one-fifth of the rate of return given by these boreholes would constitute a good payable proposition.

The Matto Grosso Company (Brazil) is employing an imperfect and unsuitable dredge in the River Coxipo, pending the arrival of four specially designed dredges which are to take its place; and this Company is getting an average weekly return of about 65 ounces of fine gold and a few loose diamonds. The Orosnayo Company, owning a concession on the same name in the Province of Junyn (Argentine Republic), will have its dredge at work in the course of two or three months. The River Orosnayo is a continuation in a southerly direction of the Rio San Juan de Oro, and gold in considerable quantities is being constantly purchased from the Indians, who extract the precious metal from the banks of the river at depths varying from one to two metres. The Rio Oscar Company in Tierra del Fuego, will also have a dredge at work within the next three months and its neighbour, the Sutphen Company, whose dredge is shut down owing to the necessity for more efficient gold saving appliances and also on account of the extreme cold prevailing in Tierra del Fuego in winter, will be resuming work within the next two months.

There is quite a number of other dredging companies which have ordered their dredges, but the greater part of these will be unable to reach the producing stage during the current year. On the whole, the future of these companies looks exceedingly promising, bearing in mind that the existence of old hand workings which abound on all the properties named is regarded as an infallible test of the payability of dredgeable areas. It is, however, too soon to say more at present than that the outlook is promising. One thing is certain, and that is, that in the event of the preliminary workings turning out well, South America will attract capital for dredging and other mining enterprises from all the leading financial centres of the world.

Market Reports

Pernambuco, Aug. 3rd, 1905.

Sugar. There has been a small enquiry for Usinas and 3a. Bon and as stock of these are in only small quantity prices of both are up about 500 reis, all other kinds are however again lower, but even so there is no demand.

Quotations to-day are:—

Usinas.....	58300	58500	per 15 kilos on shore
Crystal white.....	None	»	»
» yellow.....	None	»	»
Whites 3a. bon....	48600	»	»
» 3a. regular.....	28500	28800	»
Somenus.....	28600	»	»
Clayed.....	18800	»	»
Bruto secco.....	18600	18800	»
» melado.....	18000	»	»

Entries to 1st. inst. have been 6,575 bags compared with 1,960 same time last year.

Clearances during past fortnight have been 10,136 bags to Rio 19,520 Santos and 1,449 bags to Liverpool per s. s. *Copella*.

There has been a good deal of rain past fortnight but weather is again more settled, and on many plantations in North of the State grinding operations have already commenced and from Goyana and some other places new Brutos are expected towards end of present month, the outlook for planters is however very gloomy at the moment, foreign markets are dull all round, being no doubt still under influence of the late sugar crisis in Paris, which caused such heavy losses on the trade, our home markets also show no encouragement, being all apparently sufficiently stocked for some time to come. For New Brutos exporters do not at present seem to have much faith in prices being over 18100 to 18200 to commence with.

Cotton. After my last, market opened at 95000 and then weakened off and 900 bags were sold at 88000 and at close of day (10th) cotton was refused at 88000 for next two days prices ranged between 88700 to 88900, but little was done and with advice of 1/4d. drop in Liverpool price opened weak on Monday at 88600 to 88800 and at close former price was not obtainable. On 16th price was nominal 88500 to 88600 without buyers and next day about 600 bags were sold at 88200. On 18th an outsider came in and paid 88400 for 2,500 bags and since buyers' price have remained unchanged at 88200 to 88500 being 100 reis more or less according to vagaries of exchange, and as latter has today opened at 1/8d lower, buyers talk of value as 88000 to 88500. Liverpool is reported as a trifle firmer but stability there seems out of the question at present, until entries of new American crop begins; in meantime European Manufacturers are taking steps to resist the yankee speculators, and in long run will no doubt triumph. Strikes are also a threatening feature in Lancashire just now.

Entries of cotton to 18th inst have been 8,905 bags compared with only 2,282 bags same time last year.

Clearances past fortnight have been 2,100 bags to Rio, 500 to Bahia, 400 pressed bales for Santos and 2,430 bags to Liverpool.

Beans have been in better demand at 158000 to 168000 per bag. **Parinha**; a renewed demand from Para put prices again up to 38800 and holders generally demanded 48000, but shippers having filled their orders, market is once more flat at 38600 sellers.

Milho. Rainy weather has prevented any large entries of this article; small lots in good condition have brought 60 to 70 reis per kilo, export value for Europe is about 40 reis.

Freights to Liverpool by liners' rates are at present 10/. Sugar, 15/. Cotton seed, 12/6. Malze, 1/4d. Cotton.

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LAMPSON & HOLT LINE
Passenger service for New York

Average passage Rio to New-York 17 days

BYRON..... 4,000 „ 2nd October.

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TINTORETTO

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Taking 1st & 3rd class passengers for above port
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Having large workshops and efficient plant,
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Hamburg-Südamerikanische
Dampfschiffahrts-Gesellschaft

The splendid German Steamer

TIJUCA

Captain Simonsen

Expected from Santos on the 21st September
1905 will leave on 22nd September for:

Bahia, Lisbon, Oporto (Leixões)
Rotterdam and Hamburg
at 2 p.m.

The steamers receive cargo for Lisbon direct
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Date	Steamer	Destination
1905 Sept. 8	<i>Warzburg.</i>	Bahia, Madeira, Lisbon, Lei- xões, Rotterdam, Antwerp and Bremen.
• 22	<i>Athen.....</i>	Bahia, Pernambuco, Madeira, Lisbon, Leixões, Antwerp and Bremen.

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Rio — Rotterdam, Antwerp, Marks 450 £. 10/-
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Under contract with the British and
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Date	Steamer	Destination
Sept. 11	<i>Clyde.....</i>	Montevideo and Buenos Ai- res
• 13	<i>Danube....</i>	Bahia, Pernambuco, San Vi- cente, Tenerife, Lisbon, Vigo, Chateaubourg and South- ampton.

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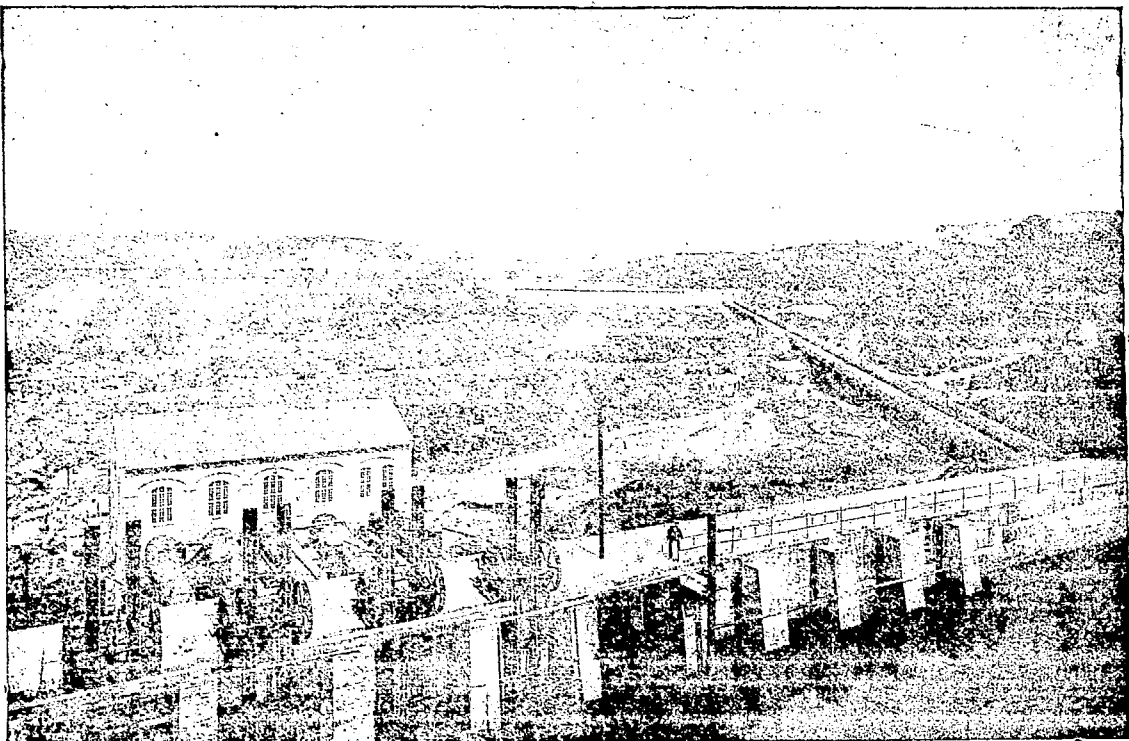
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The city of S. Paulo, which is the capital of the State of that name, has a population of about 300,000, of which about one-third is foreign. It lies in the valley of the Tieté River 2,500 feet above the level of the sea and enjoys a delightful climate,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

PLACES OF INTEREST

such as the Luz Gardens, Antarectica 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.

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.

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With such advantages the city of S. Paulo is bound to become the great manufacturing centre of Brazil, which already has some 20,000,000 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 manufactories.

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

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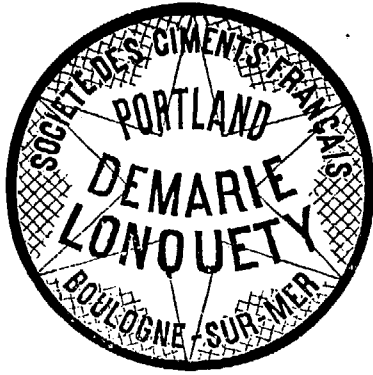
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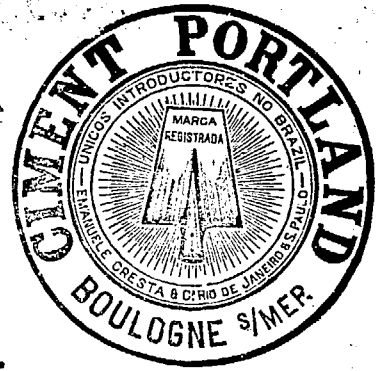
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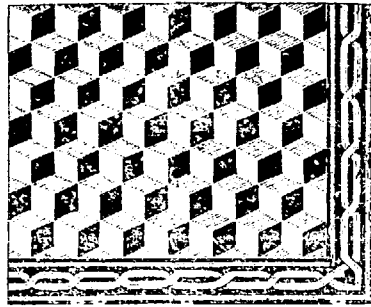
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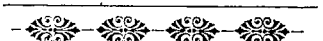
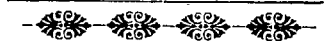


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