

MR. J. P. WILEMAN'S WEEKLY LETTER

"MOSTLY ABOUT COFFEE"

July 7th, 1914.

No. 27.

NOTICE.

In consequence of the temporary suspension of publication of the "Brazilian Review," Mr. Wileman's weekly contribution "Mostly About Coffee," which until lately appeared as a Supplement of that journal, will be distributed to subscribers of the "Review" separately, until arrangements can be made for its again being incorporated with that journal.

RIO DE JANEIRO.

CAIXA 1521.

Rio de Janeiro, July 6th, 1914.

Clearances to 2nd July were as follows:—

Closing quotations, Saturday, July 4th, compared with June 27th were as follows:—

NEW YORK—

Holiday.

HAVRE—

	July 4	June 27	+ or -
	frs.	frs.	frs.
Options—September	60.25	59.75	+0.50
December	60.75	60.75	—
March	61.50	61.75	-0.25
May	61.75	—	—

HAMBURG—

	pfgs.	pfgs.	pfgs.
Options—September	48.25	48.50	-0.25
December	49.25	49.25	—
March	49.75	49.75	—
May	50.25	—	—

SANTOS—

Type No. 4 ruled:—

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July	5\$500-5\$525	5\$450-5\$475	+0\$050
August	5\$550-5\$575	5\$500-5\$525	+0\$050
September	5\$650-5\$675	5\$600-5\$625	+0\$050
October	5\$700-5\$725	5\$650-5\$675	+0\$050
November	5\$750-5\$775	5\$700-5\$725	+0\$050
December	5\$800-5\$825	—	—

Entries for the week ended 2nd July and 3rd July respectively were as follows:—

	1914	1913
Rio	45,001	31,969
Santos	75,972	99,024
	120,973	130,993

Increase, Rio, for week, 13,032 bags, or 40.8 per cent. compared with last year.

Decrease, Santos, for week, 23,020 bags, or 23.2 per cent. compared with last year.

Decrease, both ports, for week, 10,020 bags, or 7.6 per cent. compared with last year.

Entries for crop to July 2nd were:—

	1914	1913
Rio	15,214	11,357
Santos	30,219	57,012
	45,433	68,369

Increase, Rio, for crop, 4,857 bags, or 42.8 per cent. compared with last year.

Decrease, Santos, for crop, 26,793 bags, or 46.9 per cent. compared with last year.

Decrease, both ports, for crop, 22,936 bags, or 33.5 per cent. compared with last year.

Entries at Rio and Santos to July 2nd or corresponding dates of previous six years were:—

1914-15—	45,433	1911-12—	67,635
1913-14—	68,369	1910-11—	188,531
1912-13—	125,177	1909-10—	385,172

	Bags	£
Rio	40,576	92,984
Santos	179,685	516,558
	220,261	609,542

Clearances for crop to 30th June:—

	Bags	£
Rio	2,662,702	6,487,063
Santos	11,291,481	33,619,035
1913-14	13,954,183	40,106,098
Total, 1912-13	11,409,466	42,635,228

Increase clearances for both ports for current crop to June 30th (end of crop year) 2,544,717 bags or 22.3 per cent.
Decrease in value £2,529,130 or 5.9 per cent.

The world's visible supply stands at 11,239,000 on June 30th, according to Messrs. Durring and Zoon, which is about 1,000,000 bags more than last year on same date.

Hardly any change took place in the aspect of the market during this week, the tendency seems to improve, however, towards the close, presumably because North European markets bought only little during the last four months and now see the necessity of making new provisions.

	Bags
The crop year closes with total arrivals in Santos	10,855,454
of which, S. Paulo produced	10,161,888
Minas	688,796
Paraná	4,770
	10,855,454
Total shipments amounted to	11,271,306

The verified stock showed a deficiency of 91,458 bags and was assessed to be 608,356 bags.

The amount of export duty levied during the year was Rs. 48,364,000\$000, equal to about £3,225,000 and the surtax of 5 francs yielded frs. 54,808,847.

The Secretary of Agriculture published last week the estimate for the crop now commencing, giving the following details:—

	Bags
Mogyana	3,122,750
Paulista	3,681,870
Sorocabana	1,263,930
Bragantina and Central	505,930
	8,575,480
Minas	283,250
Paraná	20,000
	8,878,730
Sent to Rio	136,000
	8,742,730
Local consumption	120,000
Exportable quantity	8,622,730

It seems a very conservative estimate, which should cause a good impression on the market.

The estimate for the Sorocabana, Bragantina and Central is likely to be somewhat too high; we should be inclined to lower

it by about 350,000 bags, whilst Minas seem too low by 150,000 bags; so that our estimate would at present be about 8,400,000 bags for 1914-15.

The unknown factor is the production of so-called "mild coffees," which must have surpassed 5,000,000 during the past crop year and is likely to undergo a further increase during the year we are at present entering, unless the Central American production suffers a reduction.

Fortunately consumption developed on lines hardly anticipated last year and it seems the intention not to let prices soar out of sight whenever the shortness of the present crop makes itself felt, but supply requirements out of Government holdings, it is likely that from now onwards the naturally ascending line of increase will no more be broken.

After a few days of rain in the interior, fine weather has set in again, which is very welcome, as it is likely to hasten the ripening of the crop on the tree and facilitate the preparing of it on the drying grounds.

Messrs. Miller and Co. of New York, write in their circular of 30th May as follows:—The monthly statistics may be somewhat better than expected, but perhaps not much of a factor. All eyes are now turned to the more interesting feature of new crop developments, which will enter a season when the Santos stock will be one-half that of two years ago—Santos prices 5\$750 against 8\$350—a small outside bull speculation—a really increasing world consumption—cheap money in Europe and here—expectation of revamping of Brazilian finances and all in all, we infer, room for quite some substantial advance prior to the news on the August-September flowering, provided, it is remarked by some, that bull leadership will come along to make use of these situations. The trading talent, of course, have determined, that as all the old bulls have been badly licked, there is no one round to lead the way, but the coffee market is a world market, and we infer from past experiences in noting that mere money and leadership cannot avail against adverse fundamentals, that room exists to-day for a more correct diagnosis of the longer outlook which may easily develop a market making prices more in accord with a reasonable view of intrinsic values for this important commodity.

We remain bullish—unqualifiedly so. We would buy into the market with that confidence, which, in our judgment, its action the past ten weeks fully justifies.

As anticipated, excellent security as it seems, 75 per cent. of the issue of Preference shares by the Brazilian Warrant Co., Ltd., was left on the underwriters' hands, investors having apparently made up their minds to come in only on the "ground floor."

MONEY.

Gold in deposit at the Caixa de Conversão on Saturday, 4th July, amounted to Rs. 184,223,084\$, equivalent to £12,281,538, a decrease of £140,982 since the previous Saturday. The net influx during June amounted to close on £650,000.

Gold in deposit 12th Feb, 1913 (max)	401,584,500\$	£26,772,300
" " 1st January, 1914	276,007,520\$	18,400,501
" " 28th February, 1914	265,209,419\$	17,680,634
" " 31st March, 1914	224,639,032\$	14,975,935
" " 30th April, 1914	205,613,501\$	13,707,567
" " 30th May, 1914	177,382,069\$	11,825,471
" " 6th June, 1914	177,462,336\$	11,830,822
" " 13th June, 1914	180,957,130\$	12,063,803
" " 20th June, 1914	186,494,051\$	12,432,937
" " 27th June, 1914	186,337,809\$	12,422,520
" " 30th June, 1914	187,078,829\$	12,471,922
" " 4th July, 1914	184,223,084\$	12,281,538

Exchange. The Banco do Brasil drew sparingly, for market takers, at 16 1-8 on London at 90 days' sight for the mails of 14th and 21st July.

Monday, 29th June. Church holiday.

Tuesday, 30th June. Exchange opened with the British and Franco-Italian Banks drawing at 15 31-32 on London at 90 days' sight; the other at 15 15-16. There was money for commercial bills at 16 1-32.

Wednesday, 1st July. The market opened with the British and Franco-Italian banks drawing at 15 31-32; the others at 15 15-16. Some banks bought, in the forenoon, commercial bills for fairly prompt delivery at 16 1-32, but after mid-day the market hardened and bills were sold at 16 3-64 and later at 16 1-16. At the close banks were not disposed to buy under 16 3-32.

Thursday, 2nd July. The market opened with the British, River Plate and Franco-Italian banks drawing at 16d., the others at 15 31-32. There was money at 16 3-32 for commercial bills but none were offering.

Friday, 3rd July. The market opened heavy, with most banks quoting 16d. and offering to buy at 16 3-16, but as no bills were offering banks lowered their drawing rates to 15 31-32. Money was offered at 16 1-16 for commercial bills, then at 16 1-32 and finally at 16 1-64, but very few were obtainable even at the latter rate.

Saturday, 4th July. The market opened weak at 15 31-32 quoted in the foreign banks, which they almost immediately lowered to 15 15-16 and offered to buy at 16d., but without finding any bills at this rate. Before the close the banks' drawing rate had further declined to 15 29-32.

During the week Congress completed the scrutiny of votes given at the Presidential election of the 1st of March last and has recognised Dr. Wenceslão Braz as President-elect. His term of office will commence, D.V., on the 15th November next.

Apart from a short lived firmness on Wednesday, when the market believed that something on account was about to be drawn for, against the much talked of loan, exchange has continued to sag and closed the week at the lowest. Without the assistance of foreign capital in some shape or form it is improbable that we will get through the next two months without heavy shipments of gold and a consequent fall of exchange, once more, to below gold export point. Export bills are too scarce to supply sufficient cover for the usually heavy requirements of July and August. In Santos the coffee crop is down to 600,000 bags or so, and most of it is of too low grade to be exportable and the new crop is coming to market slowly. Exporters have already sold a considerable portion of their July and August bills and may have to repurchase part of them. So far as other exports are concerned, rubber may be expected to yield £500,000 in July and rather less in August and other products about £1,000,000 in each month.

We seem to be no nearer the issue of the loan than we were some weeks ago and the holiday season is now approaching, when London financial magnates think more about yachting and the prospects of grouse shooting than they do about financing South American republics. So far as the public is concerned and it is the public who will have to find the money, if any is forthcoming, will they, with the almost certain knowledge that a further loan will be required of them next year show any desire to subscribe now?

Trade Returns. Imports show a decline of 30 per cent. and Exports of 4 per cent. for the first five months of the year compared with the same period of 1914. The total foreign trade has declined 18 per cent.

Trade returns for May, 1914, compared with 3 previous years:

	1911	1912	1913	1914
Imports	£4,711,024	£5,072,539	£5,539,565	£3,886,679
Exports	4,510,598	4,102,880	3,275,819	3,774,596

Trade Returns for the five months, January-May, were:—

	1911	1912	1913	1914
Imports	£22,387,857	£24,704,304	£29,166,615	£20,304,893
Exports	21,412,411	25,589,032	24,583,605	23,766,303

Exports by classification:—

	May, 1914	Jan.-May, 1913	Jan.-May, 1914	+ or -
Cotton	336,152	953,652	1,480,982	+ 527,330
Sugar	14	58,704	68,034	+ 9,330
Rubber	587,134	6,172,365	4,126,165	-2,046,200
Cocoa	160,108	499,074	966,952	+ 467,878
Coffee	1,769,529	12,546,992	12,688,569	+ 141,577
Hides	197,731	967,189	911,254	- 55,935
Tobacco	264,856	1,016,317	938,279	- 78,038
Maté	115,174	830,099	687,303	- 142,796
Skins	62,789	298,099	286,949	- 11,150
Sundries	393,192	1,241,114	1,611,816	+ 370,702
Total	£3,886,679	£24,583,605	£23,766,303	-£817,802

DEBENTURES—

Alliança	190\$	
America Fabril	190\$	
20 Botafogo	100\$	98\$
Brasil Industrial	180\$	
Carioca	180\$	
Confiança Industrial		158\$
20 Progresso Industrial	170\$	
Banco U. de S Paulo	70\$	
Centros Pastoris	200\$	190\$
225 Docas de Santos	184\$-185\$	186\$ 184\$
Mercado Municipal		175\$
Tecidos D. Anna	180\$	

LETRAS HYPOTHECARIAS—

20 Banco C. Real Minas (7%)	102\$500	102\$500 102\$
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Business Done on the Rio Stock Exchange during the week ended 4th July, 1914:—

Amount	Price	Closing Quotations. Sellers	Buyers
PUBLIC FUNDS—			
286 Apol. Geraes, 1:000\$, 5% (integ.)	820\$-845\$	835\$	830\$
340 Ditto (tit. prov.)	810\$	815\$	
3 Ditto, 500\$ (integ.)	800\$		
2 Ditto, 200\$	770\$		
7 Emp. Nacional (1903)	930\$-945\$	930\$	920\$
590 Emp. Nacional (1909)	800\$-815\$	805\$	802\$
Emp. Nacional (1911)			800\$
Emp. Nacional (1912)		815\$	
Est. do Espirito Santo		710\$	
22 Est. de Minas	805\$-810\$	809\$	802\$
Est. de S. Paulo		1:000\$	980\$
242 Estado do Rio (4%)	79\$-80\$	80\$	79\$
10 Ditto (ex-juros)	77\$		
10 Ditto (6%)	460\$	470\$	455\$
10 Ditto (nom.)			450\$
284 Emp. Municipal (1906)	182\$-186\$	186\$	184\$
26 Ditto (Nom.)	185\$	190\$	186\$
Ditto (1909)			155\$
26 Ditto (£20)	270\$	280\$	
5 Ditto (Nom.)	280\$	280\$	
65 Ditto (1914)	175\$	177\$	173\$
80 Ditto (Nom.)	175\$	177\$	173\$

RAILWAYS—

750 Minas S. Jeroymo	16\$500-17\$	17\$500	16\$
Norte do Brasil			20\$
Rede Sul Mineira		55\$	

INSURANCE COMPANIES—

Integridade	60\$
Indemnizadora	18\$

COTTON COMPANIES—

30 Alliança	140\$	140\$	135\$
20 Brasil-Industrial	170\$	180\$	160\$
Confiança Industrial		150\$	
Corcovado			130\$
67 Progresso Industrial	170\$	165\$	140\$
S. Pedro d'Alcantara		160\$	150\$

SUNDRIES—

Centros		20\$	18\$
Docas da Bahia	22\$-24\$	25\$	23\$500
1200 Ditto (30 days' option)	27\$		
450 Docas de Santos (nom.)		440\$	
Ditto (nom.)		440\$	
150 Loterias Nacionaes	22\$	24\$	22\$500
Melh. no Maranhão			32\$
Terras e Colonisação	6\$500	6\$500	6\$
100 Zona da Matta		150\$	

Closing Quotations, July 5th:—

Bank of England Rate	3%	4½%
Open Market Rate, London	2 7/8	4 1/4
Consols	75 11/16	72 9/16
Apolices Geraes	832\$ to 835\$	
Vales Gold	1\$687	
1889 4 per cent. Loan, Federal	72½	77½
1889 5 per cent. Loan, S. Paulo	100	100
Leopoldina Stock	56½	66
Brazilian Traction Ordinary	78½	86½
Brazil Railway	25	57½
Dumont Coffee, Pref.	9½	10¼

CUSTOMS REVENUE (FEDERAL.)

	1914	1913	Decrease
January	£714,078	£894,690	£180,612 or 20.2%
February	584,262	802,027	217,765 or 27.2%
March	565,129	950,500	385,371 or 40.4%
April	500,238	909,756	409,518 or 45.0%
May	512,202	902,861	390,659 or 43.3%
June	504,144	881,293	377,149 or 42.8%
Total, 6 months	3,380,053	5,341,127	1,961,074 or 36.7%

	1914	1913
Rio, July 1-4	£96,840	£123,700
Decrease, £26,860 or 21.7 per cent.		

INLAND REVENUE (FEDERAL.)

	1914	1913
Rio, July 1-4	Rs. 389:090\$	462:998\$
Decrease, Rs. 73:908\$ or 15.9 per cent.		

June Bank Returns:—

	Discounts	Deposits at Call	Cash Deposits at call	Rates of
Banco do Brasil	39,990:665\$	107,914:340\$	38,220:843\$	35.42%
London and Brazilian	2,961:556\$	9,788:791\$	7,652:105\$	78.16%
London and River Plate	2,944:658\$	12,836:092\$	9,343:509\$	72.71%
British of S. America	7,108:258\$	14,028:274\$	15,967:592\$	113.88%
Brasilianische fur Dd.	7,641:510\$	12,609:716\$	5,644:863\$	44.77%
Allemao Transatlantico	3,133:662\$	7,596:843\$	5,224:852\$	68.77%
Germanico	3,154:878\$	2,633:992\$	1,426:328\$	54.13%
Total	66,935:187\$	167,408:048\$	85,480:092\$	49.26%
Total last month	70,286:002\$	160,812:471\$	66,582:570\$	41.40%
	-3,350:815\$	+6,595:567\$	+16,897:522\$	

Compared with May, Discounts have decreased Rs. 3,350,815\$, whilst Deposits at Call and Cash have increased Rs. 6,595,567\$ and Rs. 16,897,522\$ respectively. Undoubtedly the increase in cash is due to provision for payment of half-yearly dividends.

Mr. Edward Greene passed through on his way to Santos on the R.M.S.P. Alcantara on Monday, 6th inst. He is returning to Rio next week. We are informed that his visit is in connection with the inauguration of the Cia. Armazens Geraes dos Estados de Rio e Minas, The Brazilian Warrant Co., Ltd., and Cia. Registradora e Caixa das Liquidacoes de Rio de Janeiro, which are installed in commodious offices at 63 Avenida Rio Branco.

London, June 11th, 1914.

"The Financial Outlook" says: "The strength of the Brazilian exchange during the past week or so, with the milreis up to 16 1/8d. again, has had quite a healthy effect upon the bonds of that country, helped by a little encouragement from St. Swithin's Lane. A recovery in the value of the milreis is, of course, very welcome, especially in Paris, which has been heavily handicapped by the slump in Brazilian and Mexican securities. We do not think, however, that too much importance should be attached to the recovery in exchange any more than to the more hopeful views cabled over from Niagara, where the South American Mediators appear to be ploughing the sands. This is the time of the year when owing to larger shipments of coffee and rubber the exchange usually improves, and the balance of trade moves in favour of Brazil. We can hardly imagine, what with Hard Para worth only 2s. 10d. a lb. in London and coffee at a low figure, the exchange will remain firm for any length of time, and until affairs take a turn for the better there seems little justification to rush up the price of Brazil Railway issues, as the market has done, except for the fact that during the last couple of months quotations have had a sold-out appearance.

Leopoldina Ordinary Stock was offered down to 57, closing at 58, or 1 1/2 lower on balance on 4th June on commencement of definite terms for issue of new capital, stockholders are being offered new shares at a price equivalent to 55 for old stock, closing on 10th May at 1 5/8 up at 58 5/8 and Terminal Debs. at 102 1/4.

San Paulo and Minas Railway. Mr. Justice Sargant heard a motion as to the San Paulo and Minas Railway Co., Ltd.—Mr. H. E. Wright said this was a debenture-holders' action, the plaintiffs being a French company, who held £150,000 of the £370,000 debentures issued. The interest was overdue. There had been a breakdown altogether.—The company not objecting, his Lordship appointed a receiver and manager, the manager to act until Oct. 22.

The Loan. Rumour and counter-rumour have been rife during the week as to the new loan, which, in some quarters, was depicted as imminent, one generally well informed party going so far as to say that it would be brought out next week, forgetting, or perhaps overlooking the fact that before a loan can be floated previous authorisation is necessary, not only of Government but of both houses of Congress. So far, however, the Government bill authorising borrowing up to £25,000,000 has only passed the Senate. What its fate may be in the Deputies is difficult to say, seeing how successful the manoeuvres of the Opposition were last year in preventing it being voted at all, and that even amongst the Government party there are many who would rather see the loan postponed until Government can furnish much fuller details of the financial situation than hitherto.

It seems, however, that an agreement has been come to between the English, French and German groups to participate in the loan, but in what proportion and even what the total of the new loan is to be is so far but a matter of surmise. Some guess ten, others fifteen or twenty millions. "The Times" of to-day says "the completion of the negotiations for the new loan would, of course, be very welcome, as the issue of the loan would be a great relief to Paris. But although good progress has been made with those negotiations, we understand on the best authority that they are not likely to be brought to a conclusion yet, as there are still many important details to be settled."

"The Pall Mall Gazette" of yesterday says the loan will be for £15,000,000, and that the issue price to the public will be 97 per cent. and interest 5 1/2 per cent. and that the bonds will be guaranteed by Custom house revenues and thus put more or less on a par with Fundings, of which £8,500,000 are still outstanding.

Though no definite arrangements have been so far made for issue of the loan, *imprimis* because no loan has so far been authorised, it seems quite possible that the terms given by the "Pall Mall Gazette" embody conditions discussed and more or less agreed to by the three groups. A 5 1/2 per cent. loan issued at 97 would be equivalent to a 5 per cent. at 90, as against 100 1/4 the actual quotation of 5 per cent. Fundings and 87 5/8 for 1913 5 per cents. No doubt the guarantee is inviting if only it can be made effective; but *primo vivere doppio filosofare*, in plain language, will the revenues suffice to meet the increased expenditure that the loan will give rise to?

One thing, in any case, seems settled as far as the bankers are concerned, that Brazil is to get her loan, but so fenced in and guarded that Brazil may possibly prefer to default.

People here are astonished that anyone in Brazil's position with the *corda ao pescoco* should venture to bargain instead of accepting whatever conditions may be offered. But there are still a few patriots left who think the conditions too onerous to be lightly accepted, and are likely to insist on better terms. It seems unlikely that any big operation will be undertaken during the actual Brazilian administration, though perhaps an instalment in the shape of Treasury bills may be granted to keep exchange up until the new coffee crop comes to the assistance of the exchange market, if indeed it has not already been done.

Apropos of exchange, telegrams from Rio show a slight weakening yesterday to 16 5/32d.

A day or two ago there was a strong demand for City of Porto Alegre bonds, in consequence of buying for the sinking fund. Yesterday there was a sharp relapse, the quotation being marked down 6 points and the attempt to boost the bonds preparatory to the issue of a £4,000,000 loan being apparently somewhat previous in view of the general depression of Brazilian securities.

Whatever may be the case with the lending public, big borrowers are undaunted and, though 85 per cent. of the Gold Coast loan, practically guaranteed by the British Government, was left on the hands of underwriters and both the late Canadian and Recission issues fared little better. The market is busier than ever with new issues, to make up for time lost in May.

The Brazilian Warrant Company closed its list on the 9th for subscriptions for 250,000 Cumulative Preference shares, which are offered at par and for which the underwriting commission appears to be 3 per cent. It will be interesting to see how these shares will be quoted and whether, like the Mogyana debentures, they too will go to a discount, the inclination of investors being at present to come in on the ground floor after quotations have been discounted commissions. Thus Mogyana debentures, lately issued at 98, to-day stand at 93 or 3 per cent. under nominal price of issue.

Brazil Traction shows an improvement on the previous make-up of 2 1/2 and Brazil Railways Common, which appear to go up and down with the former, for some unexplained reason, are 3 1/2 to the better.

Summing up the report for 1913 just issued by the Brazilian Traction Company, "The Statist" says:—"Although it will be seen, that the results anticipated when the amalgamation of the three companies was proposed in 1912 have been verified. A distribution of 6 per cent. on the Common stock was then anticipated and, as shown, has been secured. On the scheme of amalgamation the distribution of 6 per cent. is equivalent to 9 3/4 per cent. on the shares of the Rio de Janeiro Company, the actual rate distributed for 1911 being 5 per cent. For the S. Paulo Company the equivalent distribution is 16 1/2 per cent. as compared with 10 per cent. for 1912. The S. Paulo Electric Company was more or less a private concern and the basis of exchange was share for share. In view of the condition of affairs in Brazil, it will be recognised that the companies have done very well and as such results have been obtained during a time of partial depression, it may be anticipated that, with a return of activity and prosperity to the country, the results secured by the Traction Co. will be

even more satisfactory. The \$100 Preference share is quoted at par, while the Common shares stand at 82, the yield afforded at this price being £7 7s. 3d. per cent."

"The Economist," in common, it must be confessed, with many of the English share and debenture holders, is dissatisfied with the way in which the company's accounts are presented. It is difficult, says "The Economist," to say exactly what income the combined undertaking realised from its public services and wonders how much of the revenue of the holding concern is derived from construction on account of the subsidiaries. All the subsidiaries are indebted to the parent concern, and they in turn have considerable amounts owing by their subsidiaries. The Traction Company's balance sheet exhibits \$665,370 of cash in hand and \$1,981 of accounts receivable, against \$1,095,982 of accounts payable. The subsidiaries' balance sheets exhibit meagre amounts of cash, and good-sized liabilities on current account, apart from their liabilities to the parent concern. The whole position is an impenetrable maze at present. When future reports are available, comparison may throw some light on the position.

Speaking of exchange, "The Economist" remarks "an access of optimism about Brazil and pessimistic accounts from St. Petersburg have been balancing factors in the monetary market."

So far the failure of Messrs. Chaplin, Milne, Greenfell and Co., the successors of Morton, Rose and Co., at one time so intimately interested in Brazil, has not had much effect on the London Stock Market, the firm's liabilities proving to be much smaller than was supposed.

The Paris Bourse was firmer on the news that the Bank of France had examined the books of the Société Générale, so deeply interested in Brazilian issues, and found no reason for any uneasiness. The securities held by the Société are, says the report, of such a nature as to be quickly and easily realised, and the position does not justify the attacks directed against the Société Générale for the purpose of creating uneasiness amongst its depositors.

At last the trade reaction, so long predicted, has arrived. The returns for British trade for May show a falling off compared with last year of £2,176,029 in Imports and £1,807,072 in Exports,

but an increase of £1,001,204 for Re-exports. For the first five months of the current year Imports show a decrease of £2,813,823, Exports an increase of £1,366,395 and Re-exports of £8,522.

The reaction was bound to come, as it was impossible that with trade falling off almost everywhere, that of Great Britain should escape without injury. Indeed, the only cause for wonder is that it did not come long before.

The index number of 45 commodities of "The Statist" for May is 82.6 per capita and 86.7 for March, 1913. Compared with 1913 these figures show that there must have been considerable abatement in the cost of living, offset to a large extent by heavier taxation. The lowest average was 61 in 1896 and highest 88 for 1880.

London, June 13th, 1914.

"The Times" of this morning states that an understanding has been arrived at between European finance houses in regard to the arrangements for a Brazilian loan and the proposals yesterday communicated to the Government of Brazil. The "Daily Mail" believes that the security of the Custom House revenues may be extended to the 1913 Five per cent. loan.

The S. Paulo and Minas Railway was brought out in London by Fry Miers. As the debenture interest due on June 1 was not forthcoming from the S. Paulo and Minas Railway, the appointment of a receiver and manager for the debenture holders is the natural sequel. We understand the receipts from the railway, which was taken over from the contractors two years ago after considerable delay in construction, are sufficient to cover working expenditure, but do not leave enough for debenture interest. Six per cent. Debentures to the amount of £279,900 have been issued, £205,000 of these being publicly offered for sale in November, 1908, at 87 1/2 per cent. The share capital is £200,000. The last accounts were made up to the end of 1912 and showed a small surplus for the seven months, after providing for debenture interest.

RUBBER.

Latest London Quotations:—

	July 4	June 27	June 20
	s. d.	s. d.	s. d.
Fine Hard Pará	2 9½	2 9½	2 9½
Plantation	2 2	2 2¾	2 4¼

