

"MOSTLY ABOUT COFFEE"

October 13th, 1914.

No. 41.

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, October 12th, 1914.

Quotations at New York on Saturday were:—Rio No. 7 spot 6 1-8 c., Santos No. 4 spot 8 5-8 c. Options, December 5.57c., March, May and July 6.55 c.

At Rio No. 7 was sold at 6\$100 per 15 kilos and at Santos No. 4 reached 3\$600 per 10 kilos.

Entries for the week ended October 8th and October 9th respectively were as follows:—

	1914	1913
Rio	48,599	96,104
Santos	355,904	405,172
	404,503	501,276

Decrease, Rio, for week, 47,515 bags, or 49.5 per cent. compared with last year.

Decrease, Santos for week 49,268 bags, or 12.1 per cent. compared with last year.

Decrease, both ports, for week, 96,783 bags or 19.0 per cent. compared with last year.

Entries for crop to October 8th were:—

	1914	1913
Rio	538,494	902,758
Santos	2,393,729	4,962,059
	2,932,223	5,864,817

Decrease, Rio, for crop, 364,264 bags, or 40.3 per cent. compared with last year.

Decrease, Santos, for crop, 2,568,330 bags, or 51.7 per cent. compared with last year.

Decrease, both ports, for crop, 2,932,594 bags, or 50.2 per cent. compared with last year.

Entries at Rio and Santos to October 8th or corresponding dates of previous six years were:—

1914-15—2,932,223	1911-12—5,916,803
1913-14—5,864,817	1910-11—5,839,082
1912-13—4,927,971	1909-10—5,580,047

Clearances to October 8th were as follows:—

	Week ended October 8		Crop to Oct. 8	
	Bags	£	Bags	£
Rio	47,389	72,704	511,671	1,013,894
Santos	177,018	349,911	1,507,326	3,351,825
1914-15	224,407	422,615	2,018,997	4,365,719
1913-14	305,282	946,667	3,823,201	10,834,773

Decrease clearances for both ports for current crop to 8th October 1,809,204 bags, or 47.2 per cent., as against 47.0 per cent. on October 1st.

Decrease in value £6,469,054 or 59.3 per cent., as against 60.9 per cent. on October 1st.

Stocks were:—

	Oct. 8	Oct. 1
Rio	144,456	145,741
Santos	1,290,679	1,159,212
	1,435,135	1,304,953

Stocks Rio and Santos—

October 9th, 1913	2,769,870
October 2nd, 1913	2,822,809
October 10th, 1912	2,729,381

Santos, October 10th, 1914.

Supply and demand as factors to determine the price of coffee and especially the currency price—the price in milreis—have lost part of their influence and we are afraid the best part

of it. The rate of exchange is again ruling supreme and the exporter will often depend for the execution of the orders received more upon the rate at which he can sell his bills than on the purchase price of the goods, especially when violent fluctuations, like those we experienced during the week, are frequent.

Bills were sold on Friday, a week ago, at 10 3-8d., whilst on Tuesday business was done at 12 1/4d., a difference of about 23 per cent. on the first mentioned rate soon after it declined again to 12d. and even 11 1/4d., but there was never any large amount of money to buy bills with. To-day, Saturday, at 12 1/2d., a little more money came out, but there were few sellers as most exporters were taken unawares by the sudden change and wait for a better opportunity to draw.

We relate this to show readers in consuming countries the difficulties the export trade has to contend with, neither will it be easy for importers to choose the right moment to buy, as a rise of the gold price seems inevitable, should the present firmness prevail.

Under such conditions the export business has come to a comparative deadlock, as dealers resist the decline, counting, with certain reason, on lighter receipts. With all this, there is still a fair amount of business carried on to complete shipments, at prices which are about 200 reis below the highest, for fine and selected qualities. A certain quantity of lower grades, goods and regulars, has been taken out of the market for shipment to Havre.

To give quotations is impossible under the present conditions of trade, as there is no open market and no free competition; each transaction is an isolated bargain and all regulating factors have been put out of work.

We read that the British Government has given assurances to the Brazilian Minister of Foreign Affairs that Brazilian coffee in Dutch vessels will not be held up in future, most certainly a wise decision now that Antwerp has fallen, where a stock of about 1,000,000 bags, if not destroyed by the bombardment, will put Germany and Austria entirely past the necessity of importing this commodity for more than a year.

Receipts are smaller, as mentioned above, owing to regulating measures brought to bear by the Government, which will contribute to put this market beyond the possibility of a bear raid, although even 40,000 bags for each working day or 1,000,000 bags per month is somewhat more than we can comfortably carry under prevailing conditions, for it seems now as if not much use will be made of the warrant facilities put at the disposal of the dealers. The expenses are too heavy and former experiences make them fight shy of borrowing money under the conditions imposed. What is most feared is the possible call of reinforcements, should the market decline and we have not heard that this impediment has been removed, although measures to that effect have been talked of.

Shipments have been fairly plentiful, amounting to 293,000 bags for the month up to yesterday, but entries surpass them by 210,000 bags so that the stock stands at 1,300,000 bags.

There is no further news from the interior except that which brings accounts of the flowering back to proper proportions, which means that only well treated plantations can expect a good or large crop next year, but the number of those who claim this advantage is great. The weather was dry up to 9th inst, when copious rain was reported from all over the state.

London, September 14th, 1914.

Of late no regular coffee news from New York has come to hand by cable. Mincing Lane, however, is reported steady at nominal prices.

Fortunately the Havre scarce has passed into history with the retreat of the German right, that for a fortnight threatened Havre and most of the Channel ports, let us hope never to be repeated. Nevertheless it might be as well to be on the safe side and take steps for the transport and storing of at least half of the large stock of valorisation coffee amounting to some 1,200,000 bags, to safe keeping across the invisible seas.

Naturally with the enemy so near and the Paris Stock Exchange again closed and the French Government transferred to Bordeaux, business of all kinds must have been pretty well at a standstill. It is no wonder, therefore, that correspondence with Havre is somewhat spasmodic and that the last quotations we got were 56.25 frs. on 1st and 56 frs. on 2nd September and as high as 57 frs. for May.

It seems a pity that just when valorisation might have proved its utility as a regulator of prices, this should have been prevented by the deliberate act of the American legislature,

penalising all dealings in valorisation coffees. Consequently spot has gone up to 13 cents and higher, to the advantage of roasters and holders generally but prejudicial to the ultimate consumer.

As it is, only the bloated capitalist interests, the roasters and holders of actual coffee will in the United States get any advantage out of the phenomenal rise, whilst the ultimate consumer, Senator Norris was so concerned about, will, as usual, foot the bill.

As regards Europe, the supplies, with the help of valorisation stocks, are ample to meet all contingencies, so that no great alteration in prices is to be expected from that source. But in the United States, unless some way is quickly found of financing shipments, prices there may rise higher still. Even so the country is not in a hurry and continues with its hand to mouth policy in the hopes that exchanges will righten themselves and shipments be once more normal. The opening of credits by New York banks fails to afford facilities for big trade, seeing that exports from the United States to Brazil are too small to furnish much exchange. It is, in fact, not a matter, as the New York *Journal of Commerce* admits, of either steamers or credit, but of selling bills or gold where, in the absence of regular quotations for sterling exchange, which, in these times, depend on freedom of the local markets at present paralysed by the moratorium and the relation of the supply of to the demand for bills of exchange.

The only really free market in which the relations of imports and exports are regulated solely by demand and supply is that of Great Britain, and, in consequence, it is by the prices so determined in Great Britain that those of all other countries are practically regulated. New York may do what it likes and strain every nerve to take Great Britain's place as the world centre, but until they imitate Great Britain's free trade example, the United States will never become the clearing house of the world's exchanges they aspire to be.

Now that the September liquidation is out of the way and European accounts largely cleared out in consequence of the exhaustion of margins, brokers at New York are discussing the reopening of the Coffee Exchange. C and f. offers from Brazil seem low compared with local spots, but as the New York *Commercial* points out, they are contingent on the ability of shippers to negotiate the credits preferred in settlement and there is much uncertainty as to where actual coffee could be secured through such purchases, as also as to the state of the market by the time such shipments are actually made, but holders of desirable coffees here evidently find themselves able to gradually job out their supplies at relatively high figures. Meanwhile, coffee, of course, is piling up in the interior of Brazil, whilst buyers prefer to wait for developments.

Now that the September position is liquidated there are sellers at «pegged» prices, but no buyers. New business, the *Journal of Commerce* says, not being permitted and the buying coming exclusively from spot holders who have disposed of their coffee and want to overcover their hedge. Selling, in fact, is but quiet liquidation of tired holders.

The Federal Reserve Board has approved the application of the National City Bank to establish branches at Rio, Buenos Aires and Valparaiso. The branches are expected, in the words of the president of the City Bank, to be more than mere banks, but to act as commercial advisers to American exporters and to finance exports of nitrates from Chile, of coffee from Brazil, and hides from Argentina. We see no reason why the United States bankers should not get a share of international banking, but that it will be done to any large extent anyhow, except through London, for a long time to come at least, would seem rather doubtful. There is, however, no harm in trying.

Havre, 3rd September.—Some business is reported at 50 to 52 frs. for September. At Havre, in spite of the encouragement that the New York situation offers, prices weaken daily. In the United States the visible supply, at about 1,700,000 bags, is smaller than for many years, whilst deliveries are maintained at a higher figure than for four years past. There would seem to have been heavy liquidations at Havre, otherwise covering of the very large quantities of spot that have been disposed of would have brought about an advance and not a fall. Liquidations, says the *Bulletin*, should be about closed and the market free to develop on independent lines.

Le Bulletin du Correspondance de Havre of 11th September says:—We seem to be quite isolated with no news from either Brazil or New York though there is really nothing but costs to stop trade with Brazil. Deliveries are very large and per week attain the former total per month. These are naturally to meet special demands and are likely to be followed by a relapse as soon as that demand is satisfied. On above date, December could be bought at 57.50 frs and July 57.25. It would be interesting to know precisely to what this «special demand» refers to, whether to military requirements or to withdrawals from Havre stock for safe storage elsewhere.

During the week ended 10th September, 164,970 bags were withdrawn, as against 15,962 in 1913 and 10,080 in 1912.

Robusta. The Java United Plantation Co. reports that the robusta coffee harvested in 1913 totalled 9,782 piculs, besides 367 piculs of Java and Liberia, sold at the average price of frs. 44.55. The coffee crop was sold at an average of frs. 39.47 per picul net, a higher price than otherwise would have been obtained but for forward sales. The average price under forward contracts was frs. 44.32 per picul net. The severe drought in Java during the autumn of last year, just as the blossoms were setting, caused great loss all over Java. Estimates for this year are for 8,800 piculs. Forward contracts for a part of the 1914 robusta crop have been entered into at an average price of frs. 34 per picul. At present robusta is below frs. 30 per picul, but the European market is temporarily nominal. Although the great fall in the price of coffee will greatly reduce the margin of profit, the directors hope to avoid any increase of capital. It is proposed to thin out coffee where interplanted with rubber.

London, September 16th, 1914.

The London Coffee Exchange is expected to open next week with prices about the same as on the date of official closure. There is some talk of the price of coffee having fallen below the cost of production. This is expected to cause a reaction. But, as experience shows, if coffee has been harvested it will be sold at any price it may fetch, whether producers lose by it or no. The fall of exchange can only be advantageous if the demand is larger or at least equal to the supply. Otherwise it will be utilised as an instrument to beat gold prices down *pari passu* with the fall of exchange. The only way to raise gold prices is to regulate supply in such a manner that, happen what may, the supply shall not exceed the demand, which can only be by limiting exports.

The action of the New York Coffee Exchange in prohibiting sales of coffee below the closing prices on 30th July last is significant, seeing that this basis is considered in most quarters to be too high. Since the outbreak of the war currency coffee prices in Brazil have suffered severely in spite of the fall of exchange. Unless this tendency is checked in the only way possible, by the intervention of the S. Paulo Government and limitation of exports, it is much to be feared that exchange and coffee will continue to go down together.

On 12th September, December was quoted at Havre at 55.50 frs. and May 56.50.

London, September 23rd, 1914

Prices vary with the conditions of the respective markets. Whilst, for example, when the coffee exchanges closed early in August, coffee could be bought at Havre for 48.25 frs., as much as 56 frs. has lately been paid—a rise of nearly 8 frs. in that market, due to heavy purchases on French Government account and difficulties of importation. In London at the date of closure December was quoted at 42.75 frs. parity and has lately been sold at 48 frs., a rise of only 5.25 frs. At New York the last official quotation was, on parity, 41 frs., below which no sales have since been permitted, though it is understood, May tenders on a lower scale have been made. At Rio quotations dropped \$900 to 2\$000 in spite of the fall of exchange.

In France business men are daily urged to carry on business as usual, in view of the encouragement promised by that Government which, however, would seem to be more platonic than effective, seeing that no steps have so far been taken to reorganise banking facilities, upset by the moratorium and the war generally.

There is no lack of coffee in France, where stocks at end of September amounted to 1,384,000 bags, of which 717,000 Brazilian, as against 405,000 bags last year. If it were not for large Government purchases the market would indeed be dull. What is wanted is credit and shipping facilities.

There has been some talk lately of sale of valorisation stocks at Hamburg to the German Government on the basis of 58 marks (72 frs.). It is true that the S. Paulo Government protested that no sales of valorisation coffee would be made this year, but circumstances alter cases and no one could have foreseen the effect of this war on prices or the ability of debtors to meet their engagements. Anyhow, the sale of this coffee, so much above parity with other markets, would seem to be a special dispensation of providence to permit S. Paulo to meet its foreign engagements and provide for the amortisation of £2,000,000 Treasury bills, due on 15th inst., not to mention the coupon on the 5 per cent. 1904 loan, due on 1st October. In default of coffee shipments and consequently of the revenue derived therefrom, the S. Paulo Government must have been hard put to it to faithfully meet its engagements and in view of what is happening in other quarters reflects the greatest credit on the Government.

A cable received from Rio states that the Government is contemplating the sale of 3,200,000 bags at Hamburg at current prices; though where the coffee is to come from, seeing that the valorisation stock at Hamburg is not much over a million and in Holland must be very small, is difficult to say, unless the idea is to sell at Havre and rebuy and ship via Italy or Holland to Hamburg. In the actual state of politics this might be dangerous seeing that Italy may any day be drawn into the war and coffee consigned to Germany by that route would be liable to confiscation. It is announced to-day that the prohibition of export of coffee by Great Britain to Holland has been removed, from which it is to be concluded that the British Government has satisfied itself that such a concession will not be abused. Besides, as things are going, there seems every possibility that Holland may be drawn into the war, likewise, seeing that bombs have already been dropped, intentionally or otherwise, in that territory. Anyhow, it seems risky work to consign coffee to countries where it is liable to be seized as contraband of war.

Duuring & Zoon report Visible Supply, 1st Sept. 10,482,000
Lanneuville 10,757,000
The difference of 275,000 bags being probably due to coffee afloat seized by belligerents being differently computed. Duuring and Zoon further report Java prices unchanged, a rise of 3 cents in Robusta and 5 cents for better class Santos.

Havre, 19th September, quotation December 54 frs. May 55.50 frs.

London prices, 14th September.—Spot quiet, nominally steady. Terminal market closed, no exchange quoted.

15th September.—Coffee quiet, exchange 12 1-8d.

September 17th.—Exchange unquoted.

September 18th.—Coffee inactive, no resumption of export business.

September 20th.—Coffee quiet, but steady.

New York.—Owing to the difficulty of arranging credits with Brazil, cost and freight business is very limited. It is, however, stated that credits have been issued to a moderate extent by the Guarantee Trust, the National City Bank and the Bank of New York, some at 90 days' sight, payable in U.S. currency.

When bills are drawn in U.S. currency fluctuations in the exchange between London and New York are naturally eliminated, though it seems rather difficult to understand how, in the default of large exports from U.S.A. to Brazil a rate of exchange can be established without the intervention of London.

More coffee, says the *American Grocer*, would be sold in New York if credits were available to coffee importers, but none

could be had early in the week, as those available last week were used up. If the question of supplies is not quickly arranged the stock here will quickly be used up with no further supplies in sight. It is this that gives a firm undertone to Santos coffees.

Another puzzle is the fact that there are no receipts in sight from plantations to coffee ports large enough to indicate a crop of over 10,000,000 bags of Rio and Santos. This is regarded as a sign that the current crop will not be larger than 1910, which gave rise to the deficiency in that year of 3,000,000 bags.

Interior trade in U.S.A. is reported to be good and the country in good condition to pay for supplies.

New York advices to 9th September are that, in spite of lower price level, consumers do not respond and easier c. and f. quotations accentuate the waiting policy that American markets have so long indulged in. The idea is that there is plenty of coffee and the more «valorisation» is sold in Europe the more coffee will there be available for export to the U.S.A.

It was remarked that good Santos 4s might have been bought cost and freight at 8¾c., with 4s and 5s at 8½c. Rio 7s were reported here at 6.25c. The effect on the spot holder is to make him more open to bids, but prices are nominally repeated at 13c. for Santos 4s and 7¼c. for Rio 7s.

Since the demand for actual coffee is flat, there is little uncovering of hedges and consequently the liquidation of options has come to a standstill, there being sellers at pegged prices. It is not thought that the trading will be resumed in the near future, as the tendency would probably be to break sharply through hedging against poorer quality purchases, and, as it is, only the better grade may be brought in.

There were sales of new crop 4s yesterday at 11½c. for well described coffees and desirable old crop at 12½c. The general market being around 12c. or about 3½c. above c. and f. quotations. In New York it is alleged on the one hand that financial pressure will make proper cultivation impossible and so restrict supplies, but on the other hand it is pointed out that the ability of Brazil to protect her markets through a holding movement will lead buyers to act only for immediate necessities around the actual level of prices.

MONEY.

Exchange, Monday 5th October. The market opened firm, banks quoting from 10 3-16 to 10 7-16d. against bills from 10¼ to 10 5-8d., but little business was done. The rate for collection of bills due this day was 10½d.

Tuesday, 6th October. Exchange continued unsteady, but with a rising tendency. There was some business done in the morning at 10½, 10 5-8 and 11. During the course of the day the market became firmer, bills appearing at 11 3-8 and 11½ and some banks would draw at 11¼d. The rate for collection of bills opened at 10¾ but later rose to 11¼.

Wednesday, 7th October. The foreign banks drew between the rates of 11½ and 12¼d. against other paper between 12d. and 12 3-8d. The market closed weak at 12d. nominal. The rate for collection of bills was 11¼d.

Thursday, 8th October. The market opened weak, banks opening at 11¼ against other paper at 12d., but soon after they lowered their rate to 11½, offering to buy at 11 5-8. The market closed with a firmer tendency. Cobranças were made at 11½.

Friday, 9th October. Banks opened the market offering to sell at 11½ firm against other paper at 11 5-8d, but immediately afterwards they would draw at 11¼, offering to buy at 11 7-8. The market closed firm.

Saturday, 10th October. The market again opened firm, banks offering to sell at 11¾d., but during the day 12 1-8d. could be obtained against other paper at 12¼. The rate for collection of bills was 11¼d.

Gold. A considerable number of sellers of small amounts in gold have appeared, probably small speculators and recipients of payments made in specie, now alarmed at the rising tendency of the market. Quite a fair amount of sovereigns changed hands between 22\$000 and 18\$500. On Saturday offers were for sellers at 19\$500 and buyers at 19\$000.

Business Done on the Rio Stock Exchange during the week ended October 10th, 1914:—

Amount	Price	Closing Quotations.	
		Sellers	Buyers
PUBLIC FUNDS—			
431	Apol Geraes, of 1:000\$ 5% (integ.)	815\$-824\$	822\$ 820\$
48	Ditto (tit. prov.)	810\$-812\$	810\$
1	Ditto, 500\$ (integ.)	800\$	
10	Ditto 200\$	800\$	
86	Emp. Nacional (1903, port)	880\$-885\$	885\$ 880\$
3	Ditto (prov.)	885\$	
1232	Emp. Nacional (1909) Est. do E. Santo	798\$-802\$	802\$ 801\$ 700\$ 650\$
39	Est. de Minas Geraes	790\$-800\$	800\$ 790\$
1	Ditto (500\$)	800\$	
137	Est. do Rio (4%)	76\$500-78\$	77\$
225	Emp. Mun. (1906)	180\$-182\$	182\$ 180\$
	Ditto (nom.)		200\$ 190\$
3	Ditto (1909)	150\$	
6	Ditto (£20)	300\$	295\$
	Ditto (nom.)		300\$
878	Ditto (1914)	157\$-759\$	160\$ 159\$
	Ditto (nom.)		159\$
BANKS—			
287	Brazil	180\$-182\$	1820 180\$
1540	Ditto	300\$	
	Commercial		148\$ 135\$
23	Comercio	135\$	
120	Mercantil	210\$	208\$
RAILWAYS—			
	Goyaz		150
	Minas S. Jeronymo		20\$ 17\$
400	Rede Sul Mineira	35\$	35\$
INSURANCE COMPANIES—			
	Argos Fluminense		900\$
COTTON COMPANIES—			
	Brazil Industrial		175\$
SUNDRIES—			
400	Docas da Bahia	18\$-20\$	20\$500 19\$
25	Docas de Santos	375\$	378\$ 370\$
248	Ditto (nom.)	370\$	
100	Loterias Nacionais Melh. no Maranhão	16\$500	18\$ 16\$ 30\$
100	Terras e Concolização	5\$	6\$750 5\$
DEBENTURES—			
50	Antarctica	192\$	
672	Doças de Santos	170\$-175\$	
	Magéense		100\$ 60\$
	Manufatura Fluminense		100\$
49	Merc. Municipal	175\$	178\$
	Progresso Industrial		178\$
	S. Pedro d'Alcantara		200\$ 180\$
	Tecidos Botafogo		70\$
LETRAS HYPOTHECARIAS—			
25	Banco C. R. M. Geraes	100\$	
6715	Soberanos	19\$-21\$500	

Latest London Quotations, October 12th:—

	1914	1913
Bank of England rate	5	5
Open Market Rate, London	3 5/16	4 3/4
Consols	68 5/8	72 13/16
Apolices, 4 per cent., 1889	61 1/2	78
Apolices, Funding 5 per cent.	94	100
Leopoldina stock	38	62 1/2
S. Paulo Railway, Ordinary	200	240 1/2
Traction Ordinary	46	89
Brazil Railway	9	44

London, 14th September, 1914.

The market remains quiet, but the fact that the Customs Board has under consideration the reopening of exports to Denmark and Holland keeps prices steady.

San Paulo Treasury Bills. Messrs. J. Henry Schröder and Co. announce that they will be prepared to pay off the £2,000,000 State of San Paulo One-Year Treasury bills, due September 15-18, on the 18th inst., on the production by holders of a satisfactory declaration that the bills presented for payment are held for value by the presentors, or that the presentors are not collectors on behalf of an alien enemy. Forms for this declaration can be had on application at 145 Leadenhall Street, E.C.

The British Bank of South America informs holders of the Cantareira Water Supply and Drainage Company of the City of S. Paulo Five per cent. Debenture bonds, that the interest due on October 1st will be paid by them on and after that date, together with the bonds drawn for redemption on the 4th inst.

Service of Rio Loans. Messrs. Seligman Brothers have received the following telegram, dated September 12, from the Prefect of the Federal District of Rio de Janeiro:—“I authorise you to advertise that this Prefeitura has ample funds in hand for service of coupon and amortization of 1904 and 1912 loans, which will be transferred to you in London immediately remittance obtainable from banks. Interest will accrue at 5 per cent. and 4 1/2 per cent. respectively on all coupons and drawn bonds from October 1st to date of receipt of funds by you. Holders in cash coupons and drawn bonds in Rio at rate of exchange of day.”

In respect to the Four and a Half per Cent. Loan of 1912, the numbers are published of 259 bonds, amounting to £27,300, which have been drawn for redemption. It is announced that the repayment of these bonds at par, which is due on October 1st, 1914, can be effected, according to the above telegram, in Rio de Janeiro at the rate of exchange of the day or will take place in London as soon as the necessary funds have been received.

Amongst Imports, raw cotton shows an unexpected increase in value during August in spite of the crisis in U.S.A. Coffee also shows an increase in quantity and value, as also a slight increase in sugar.

BRITISH TRADE WITH BRAZIL AS SPECIFIED IN BOARD OF TRADE RETURNS.

Imports:—

	8 months to 31st August.				Month August only.				
	Quantity		Value		Quantity		Value		
	1913	1914	1913	1914	1913	1914	1913	1914	
Raw Cotton	lbs.	400,826	522,834	1,285,536	1,653,045	24,585	31,705	76,373	109,107
Coffee	cwts.	129,841	185,050	416,306	527,577	12,397	17,236	34,776	50,231
Sugar, unrefined	cwts.	99,065	147,152	49,858	74,931	403	940	180	512
Exports:—									
Coal and Coke	tons	1,286,853	907,090	1,143,763	811,622	111,504	48,893	99,498	40,158
Cotton piece goods, all kinds	yds.	65,501,700	26,887,400	1,155,699	481,140	7,122,800	1,748,800	124,449	29,014
Woolen and worsted ware	yds.	1,541,800	779,600	216,161	109,883	133,900	39,200	17,409	5,595
Jute yarn	lbs.	11,004,900	8,304,600	222,448	185,597	1,033,600	336,900	21,814	6,263
Linen ware	yds.	2,450,700	1,687,600	111,024	65,939	304,800	99,800	13,297	3,326
				2,849,095	1,654,181			276,467	84,356

With regard to Exports from Great Britain there a decrease all along the line of the specified articles, which may be taken as representing on general lines Imports from all countries. Up to end of August there was a shrinkage in the value of Exports to Brazil of £1,194,912 or 42 per cent., which closely corresponds to the shrinkage of customs revenue in Brazil up to end of July.

For the month of September only the shrinkage in the value of Exports to Brazil was £1,919,310 or 69 per cent., which, on the same principle, should result in a corresponding shrinkage of general customs revenue. It is much to be feared that this shrinkage if not quite so severe, will continue to be marked at least until a revival in the value of Brazilian Exports affords better conditions for international trading.

Railway Traffic Returns for the week ended 7th September:

Leopoldina	£20,450	£19,516	£85,489
Gt. W. Brazil	6,300	5,500	27,400
Brazil N. E. Rly.	Rs. 36:041\$	21:831\$	410:986

The returns for British trade during the month of August reflect to some extent the effects of the war. Imports having fallen off from £55,975,704 in 1913 to £42,362,034 or 24.3 per cent. and Exports from £44,110,729 to £24,211,271 or 45.1 per cent. and Re-exports from £8,150,499 to £4,419,833 or 45 per cent. For the eight months ending August 31st the figures are as follows:—

	1913	1914	Decrease
Imports	£496,448,413	£477,574,628	£18,868,785 3.8%
Exports	348,380,745	324,074,262	24,256,483 6.9%
Re-exports ...	75,517,419	71,522,165	3,995,254 5.2%

Of the total Exports in August about 25 per cent. went to Germany during the first few days of that month. In September this, too, will be eliminated. The most serious drop in exports is in cotton goods not only to Germany and Austria, but to all parts of the world.

RUBBER.

Following the same hand to mouth policy as for coffee, New York has run short of rubber and consequently has to pay very

high prices for it and advance prices on manufactures in proportion. The small stocks of rubber have advanced since 1st August over 100 per cent and there is no telling how high prices may go unless some relief is quickly found. The trouble, as in the case of coffee, lies in the financing of shipments from the East as well as from the Amazon, which, as also in the case of coffee, has prevented Brazilian producers from getting any but very partial advantage of the high prices lately ruling in the United States.

There is now no difficulty about shipments, seeing that besides Great Britain, Belgium, France and the United States are guaranteeing war risks, the trouble lies in the financing, which, as far as the British Possessions in the East are concerned, seems likely to be got over by combined action of these Governments and the Bank of England. As regards Brazil, the only hope of general resumption of business lies in the reestablishment of sterling exchanges.

Meanwhile the industry in England is wonderfully active, thanks to war demand, which seems to fill the gap caused by a falling off in the demand from the States. There has been a gap of three weeks in the despatch of steamers carrying rubber from Eastern ports, but now that sailings are being resumed supplies are likely to be sufficient to meet the demand, attenuated, as it is, by the closure of German and Austrian ports and patriotic refusal of British firms to furnish rubber even to neutral ports with access to the enemy. To all except allied countries, export from Great Britain and her colonies of raw rubber has been prohibited and Germany in this manner forced to rely on what little may be smuggled through Dutch, Italian or Scandinavian ports, or on her supply of reclaimed rubber. Now would be the chance for the long-vaunted synthetic rubber that, according to German authorities, was to work such havoc with the genuine product. Fine hard, which had risen to 3s. 1d., is now quoted at 2s. 9d. and plantation first latex at 2s. 2½d.

September 14th.—First latex plantation spot, 2s. 0½d.; hard fine 2s. 8¾d.; caucho ball, 1s. 7½d.

The Peruvian Government has reduced duties on rubber to 5 per cent. ad valorem, calculated on prices at Iquitos and not at Liverpool as formerly. This is equivalent to a reduction of about 25 per cent.

