

Wileman's Brazilian Review

A JOURNAL OF TRADE AND FINANCE

PUBLISHED WEEKLY TO CATCH BRITISH MAILS.

VOL. 1

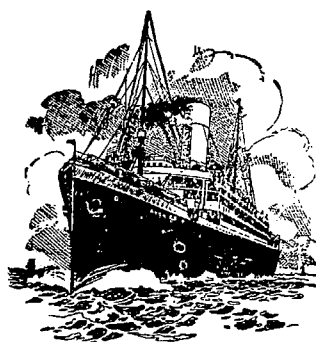
RIO DE JANEIRO, TUESDAY, July 27th, 1915

N. 30

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DESEADO.....	30th "	ARAGUAYA.....	1st September
ORIANNA.....	31st "	DEMERARA.....	20th "
AMAZON.....	11th August	ORISSA.....	23rd "
ESSEQUIBO.....	18th "	AVON.....	29th "
DESNA.....	20th "	DARRO.....	1st October

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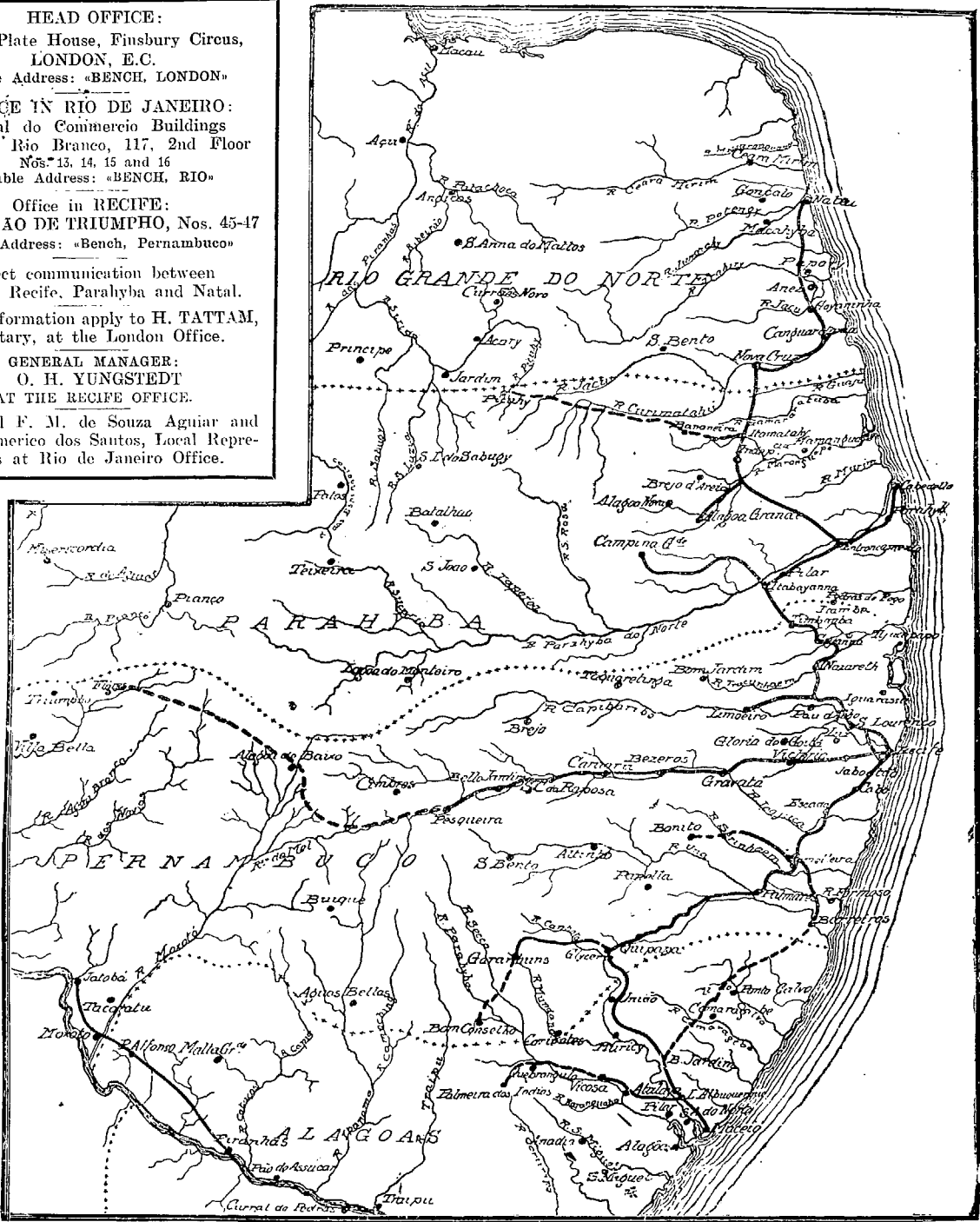
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7.45 Mixed—Macahé, Tuesdays, Thursdays and Saturdays.
9.40 Mixed—Friburgo and Cantagallo, daily.
15.35 Passeio—Friburgo, Saturdays and when announced.
16.15 Mixed—Rio Bonito, daily. Wednesdays to Capivary.

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6.00 Express—Petropolis, Entre Rios, Ubá, Ponte Nova, Porto Novo, Cataguazes, Santa Luzia and branch lines, daily.
7.30 Express—Petropolis, Sundays only.
8.30 Express—Petropolis, daily.
10.25 Express—Petropolis, Sundays only.
13.35 Express—Petropolis, week days only.
15.50 Express—Petropolis, Entre Rios, daily.
16.20 Express—Petropolis, week days only.
17.50 Express—Petropolis, daily.
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21.00 Night Express—Campos, Itapemirim and Victoria, Mondays and Fridays, sleepers and restaurant cars. Electric illumination and ventilation. Single fare, 48\$900; Upper Berth, 10\$000; Lower Berth, 15\$000. Return fare, 74\$400. Lunch and dinner served during journey. 2\$500 without wine.

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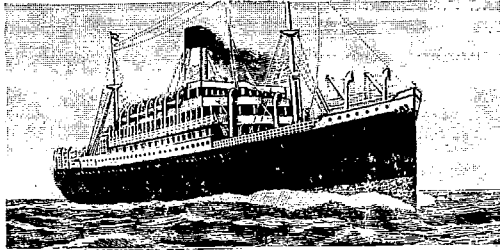
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VERDI.....	24th, August	VAUBAN.....	2nd, November
TENNYSON.....	7th, September	VERDI.....	16th, »
VESTRIS.....	21st, »	TENNYSON.....	30th, »
BYRON.....	5th, October	VESTRIS.....	14th, December
VASARI.....	19th, »	BYRON.....	28th, »
		VASARI.....	11th, January

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MARGARET—15th August.
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OSCAR FREDRIK—About 2nd September.
ANNIE JOHNSON—18th September.
DROTTNING SOPHIA—25th September.

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Luiz Campos

84, Rua Visconde Inhauma, 84

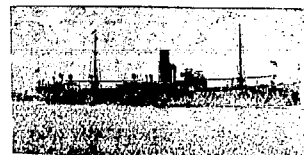
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RIO DE JANEIRO, TUESDAY, July 27th. 1915

No. 30



THE RIO DE JANEIRO FLOUR MILLS & GRANARIES LIMITED.

Telegrams: "EPIDERMIS". General Telephone : 1450 Norte Post Office Box
Sales departement 165 » No. 486

Flour Mills : Rua da Gambôa No. 1

DAILY PRODUCTION : 15.000 BAGS.

Cotton Mill - Rua da Gambôa No 2. -

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DAILY PRODUCTION 27.000 METRES.

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The Mill's marks of flour are:-

"NACIONAL"

"BUDA-NACIONAL"

"SEMOLINA"

"BRAZILEIRA"

"GUARANY"

AND FOR SUPERIORITY
HAVE BEEN AWARDED

Gold Medal Pariz 1889.

First Prize Brazil St. Louis 1904.

First Prize Turin 1911.

First Prize Brazil 1908.

First Prize Brussels 1910.

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MAIL FIXTURES

FOR EUROPE.

July 28.	—ZEELANDIA, Holland Lloyd, for Amsterdam
.. 28.	—FLANDRE, Sud-Atlantique, for Bordeaux.
.. 29.	—LIGER, Sud-Atlantique, for Bordeaux.
.. 30.	—DESEADO, Royal Mail, for Liverpool.
.. 31.	—ORIANA, P.S.N.C., for River Plate and Pacific.

FOR RIVER PLATE AND PACIFIC.

July 28.	—AMAZON, Royal Mail, for River Plate.
.. 29.	—ORISSA, P.S.N.C., for River Plate and Pacific.
.. 30.	—SAMARA, Sud-Atlantique, for River Plate.
Aug. 1.	—DESNA, Royal Mail, for River Plate.

FOR THE UNITED STATES.

Aug. 24.	—VERDI, Lamport and Holt, for New York.
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NOTICE TO BRITISH SUBJECTS.

New Passport Regulations. — All British Passports issued prior to 5th August, 1914, will become invalid upon 1st August, 1915. Holders of such passports can exchange same for fresh Passports.

Passports issued after 1st August, 1915, which will be valid for two years only, must bear, in each instance, a photograph of the person to whom issued. Duplicate of photograph must be lodged with the office issuing the Passport.

Only wife, and children under sixteen years of age, may be included on holder's Passport. In such cases, photograph of the wife also must be furnished, in duplicate. In case of children over sixteen years of age separate Passport must be obtained in each case. **British Consulate General, Rio de Janeiro, 18th April, 1915.**

NOTES

Tinkering Tariffs. In the opinion of the United States Chamber of Commerce, the Brazilian tariff stands sorely in need of revision to help Americans to do more business with this country.

The way to do business is apparently for American financiers to open their purse strings and lend plenty of money to Brazilians for construction of railways and public works so that they can buy more material from virtuous Americans as they used to do in the

good old times from Britishers before the French spoilt the market with their interference and lending too much.

Now Americans want to take a hand in the game and lend money, especially to Brazilian Governments, but find it somewhat difficult to secure satisfactory security now that it has been mostly used up by mortgage of almost everything mortgageable, federal, state and municipal, not to mention paying industrial concerns.

There is, however, an enormous field open to American capital if they like to do business second hand, by buying Government bonds and shares and debentures of paying Brazilian undertakings, now mostly obtainable at a considerable discount in Europe.

By so doing the initial profit on original construction would, of course, be sacrificed, but Americans would, at least, secure the inestimable privilege of furnishing the materials for upkeep and future extensions, not to mention the satisfaction of feeling that in this way they are truly labouring for the commercial emancipation of "The Americas."

But, to return to our mittens.

Before tariff revision, that is, mere reduction of the duties on imports, can be effective, what is wanted to improve trade conditions and enable Americans to sell is not more loans, of them we have had enough and to spare, but the radical reform of the twenty different tariffs on exports levied in this country by the twenty different States that go to make up the Brazilian Union and are the true cause of the stagnancy in most branches of production in this country.

Develop exports by suppressing export duties, and imports will expand automatically, because there will be more real money to spend and, therefore, more to buy with from America and everywhere else.

To commence with the import tariff is putting the cart before the horse.

If, in their deep interest in the development of "The Americas," so long exploited by reckless lending of money by European and particularly British bankers, at 5 and even 4 per cent. interest and sometimes without any security at all, instead of the seven or even ten per cent. truly altruistic money lenders are accustomed to, if, we repeat, Americans can do anything to promote the fore-mentioned desideratum, there may be some chance of general development in this country.

Otherwise, as Dr. Rodriguez Alves says in his Message, we must wait 'til the clouds roll by!

Whilst this is true of the greater part of the Republic, it is but fair to add that in two sections at least, Rio Grande do Sul and S. Paulo, taxation of exports has not been abused. In the former exports are not taxed at all and in S. Paulo only those of coffee, whose virtual monopoly is made to meet, practically, the whole of the latter State's expenditure.

Pernambuco Customs Revenue (gold not discriminated):—

1st to 13th July, 1915	347,993\$
1st to 13th July, 1914	574,350\$
Shrinkage (39.4 per cent.)	226,357\$

State (Recebedoria) Revenue:—

1st to 13th July, 1915	304,867\$
Ditto, 1914	143,875\$
Increase (111.9 per cent.)	160,992\$

French Trade with Brazil—Month of April.

	In 1,000 francs.		
	1915	1914	1913
Imports from Brazil	11,288	15,710	18,046
Exports to Brazil	3,946	4,402	6,315
Total, April	15,234	20,112	24,361
Total, 3 mos, Jan.-March...	41,018	60,104	66,009
	56,252	80,216	90,370

For the month of April, French trade show a falling off in the aggregate of fcs. 4,878,000 or 24.2 per cent. compared with same month 1914, of which fcs. 4,422,000 or 28.1 per cent. in imports compared with last year and fcs. 456,000 or 10.3 per cent. in exports.

Compared with 1914, the falling off of trade with this country for the four months was fcs. 23,964,000 or 29.8 per cent. and compared with 1913 34,118,000 fcs or 37.8 per cent.

In exports the most notable declines were butter, tinned vegetables, medical preparations, cotton and other tissues, paper, machinery, clocks and watches, automobiles and carriages, mechanical tools, articles of Paris, and sundry, compared with 1914.

Of imports, coffee showed an increase for the four months of 20,477 quintals or 34,130 bags of 60 kilos or 9.7 per cent. compared with same 4 months, 1914. Compared with 1914, cocoa showed an increase of only 128,000 kilos, whilst no Brazilian tobacco figures in the returns for 1915, possibly because it was imported via Lisbon.

The figures are special commerce, corresponding to goods actually despatched at the French customs for consumption and do not include re-exports.

Mexico. The kalidescope takes another turn and not only has Carranza got into but out again of Mexico City and Zapata once more rules in his stead. Meanwhile Villa has on the frontier rejected the well meant offers of provisions from the United States on the ground that there is no lack of food nor any poverty worth mentioning in Mexico, in spite of the Mexican dollar being down to 4d. and people famishing for food in the capital!

—The last addition to German enemies, according to the New York "Commercial," is the Yaquis, a tribe of Indians inhabiting the Mexican State of Sonora, who have declared war against Germany, the United States and the Mexican nation. A peculiarity of the Yaquis is that they invariably cut the throats of all envoys or ambassadors sent to treat with them, which makes negotiations difficult, particularly should the Kaiser take it into his head to make peace with the Yaquis and send an expedition to assist them against the United States!

Sielcken, like most Germans, only follows the example of the Kaiser in regarding obligations as but "scraps of paper" to be torn up when their turn is served, if the story is true that he burned his naturalisation papers, that conferred on him the privileges of a citizen of the United States, in disgust at the trust action brought against him and his associates in the valorisation scheme.

Sielcken was always typically German, which accounts perhaps for his preferring Baden-Baden to his adopted country, but scarcely for the rumours that large sums of money have been extorted from him by the Kaiser!

Perhaps, like so many other hyphenated Americans, he is German in America but American in Germany.

If not it seems a pity that he does not use any influence his pro-German sentiments may confer to get his, i.e., the German, Government to hand over the value of the coffees it has appropriated, which Sielcken was so largely instrumental in accumulating.

THE WAR

Enemy Trading. The agitation against enemy trading in China was promoted by the China Association, which has for months been in active communication with the Board of Trade on the subject.

The British Government hesitated to take this step, fearing that the volume of trade between British ports and China might suffer. There might, said the President of the China Association, be some falling off for a time, owing to a certain amount of German trade being done on terms of excessive credit granted to Chinese purchasers with a view to capturing the market. In some cases payment for goods purchased by Germans in England for cash has not been made in China under six months after delivery. Behind this system of excessive credit, it is believed, is a deeply laid scheme to capture practically the whole of the China trade now in the hands of British firms, whilst behind the German trading firms stood, for many years, the German Government with political objects in view.

As an illustration of the determination of Germans to retain and extend their position in foreign markets, it may be mentioned that there is a regular organisation now touring China, Brazil and other countries with cinematograph pictures designed to impress the righteousness of the German cause and the might of the German army.

Fortunately in China the surrender of Tien-chou has destroyed any illusions on that score, but here in Brazil, where German commerce is so powerful, we must look to it pretty sharply if we are to hold our own after the war, much less invade German preserves. Here, as in China, the only advantage Germans possessed was that of long credits. Whether after the war they will be able to continue the same system seems very questionable. But what seems essential is that British traders should at least do nothing to assist our competitors by continuing to trade with them as long as the war lasts or for that matter after. There is no reason except that of long credits why British goods should not be sold by our own merchants to Brazilian consumers at prices as low or lower than any German competitors could offer.

As regards exports, there is absolutely no reason at all except again, greater credit facilities, why our merchants should have allowed Germans to practically monopolise most branches of the Brazilian export trade.

Since the war began, the position is gradually being reversed and British trade is already asserting itself and indisputably gaining on German. To not only regain the export trade of this and other South American countries, once almost entirely in British hands, what seems to be requisite is some special organisation for assisting individual exporters by opening of credits on terms that will permit new houses to enter into competition with Germans such as, we believe, exists at Hamburg and Bremen, that allows promising young men, without apparently any or very little capital, to blossom into quite big exporters. That losses under such a system are considerable is probable; but the manner in which German trade has waxed and flourished under it is proof that in the long run it paid!

Before, however, thinking of recovering neutral trade from Germans, it might be well to take steps to put a stop to any trading between Britishers and Germans, not only because they have made themselves here so objectionable, but because there is no earthly reason why German trade should be protected by British law and practice to the prejudice of British traders!

The War. By their offensive policy Germany and Austria no doubt are losing men in enormous numbers who can never be replaced, but before the Allies can hope to reconquer Belgium and Poland and drive the enemy over their own frontiers, a couple of million more Germans must be disposed of and a couple more of the Allies as well.

Howsoever the Russian reverses may delay, she cannot prevent the breakdown of the forces of Austria or narrowing of the issue to a life and death struggle for Germany.

The advantage as regards men will, therefore, be on the side of the Allies so long as they see to it that more money and more men are forthcoming at the decisive moment, when, as Lloyd George says, the last million of men and the last million of money will decide the issue.

With practically all the world for the Allies to recruit and borrow from, who can doubt what the issue will be?

Superior organisation and preparation for war or even higher generalship may do much for a time, but ultimately it is the men

and the money behind the guns that decides and if men fail Germany, what of the guns?

"They that take the sword shall perish by the sword," quoted Secretary Bryan, forgetting that the sword by which they shall perish is the sword of the defenders of peace and justice. All law rests on force. In drawing the sword against Germany, Great Britain but backs up justice by force.

The Red Cross Festival. A letter of thanks, quite unnecessarily addressed by the Committee to all who took an active part in the festival, comes to remind us that if thanks are due to anyone in particular, where all vied with each other to make the festival a success, certainly it is to the Committee that the gratitude of the whole British community is due for affording sympathisers with the cause just the opportunity they longed for to demonstrate their solidarity in a practical form.

It is easy enough to dip into one's pocket and fork out cash if there is any there, but for middle aged men and women to sacrifice inveterate habits and comfort and give up invaluable time unreservedly to further the Cause--this is the true test of sincerity--*hic labor, hoc opus est!*

Where everyone worked with a will, it would be invidious to discriminate, but it would seem ungracious and ungrateful did we Britishers fail to recognise the generous cooperation of Americans who, without the same stimulus of patriotism as ourselves, have shown how real and heartfelt are their sympathies with the Allies. Blood is thicker than water and in times of national crises, when Americans are pitted against Spaniards or Britishers against Huns, the hearts ring true in which flows generous blood of the Anglo-Saxon strain.

THE WHEAT FLOUR INDUSTRY

WHEAT FLOUR

Tons of 1,000 kilos

	U. S. A.	Argentina & Uruguay	Other Countries	TOTAL	Tons. of 1,000 kilos	Yield in flour 65%	Total consumption, imports plus home production
1903	39	70	8	117	169	110	227
1904	30	91	10	131	193	125	256
1905	20	104	17	141	214	139	280
3 years	89	265	35	389	576	374	763
Averages	29.7	88.3	11.7	129	192	125	254
Rebate 20% came into force 1st July, 1906.							
1907	30	132	—	162	247	160	322
1908	26	119	6	151	260	169	320
1909	27	117	2	146	259	168	314
1910	41	115	3	159	317	206	365
4 years	124	483	11	618	1,083	703	1,321
Averages	31	120	3	154	270	176	331
Rebate raised to 30% 1st January, 1911.							
1911	47	110	2	159	333	216	375
1912	55	133	2	190	381	248	438
1913	57	110	3	170	436	285	455
1914	69	64	1	134	382	249	382
4 years	228	417	8	653	1,532	998	1,650
Averages	58	104	2	163	384	249	412
3 yrs, 1911-13	159	353	7	519	1,152	749	1,268
Av. 3 years	53	118	3	173	284	250	423
3 yrs, 1908-10	31	117	3	152	279	181	333

On 1st July, 1906, the rebate of 20 per cent. on flour and sundry other products of American manufacture came into effect.

Previous to this American flour was on the same footing as any other. From 1st January, 1911, the rebate on flour was raised from 20 to 30 per cent.

Owing to lack of data as to the exact quantities of American flour imported during the first and second halves of the year 1906, before and after the rebate became effective, we have excluded the movement for that year from this analysis.

Consumption of flour in Brazil comprises the imports from foreign countries plus that milled in the country itself, almost exclusively from imported wheat.

To estimate home production, i.e., the wheat that has been turned into flour, 100 parts of the former have been taken as yielding 65 parts of flour.

The consumption of flour in this country increased by 77,000 tons or 30.3 per cent., from the annual average of 254,000 tons for the three years 1903-05, previous to preferential treatment of American flour, to that of 331,000 tons for the four years 1907-10 with the rebate of only 20 per cent. and by 81,000 tons or 24.5 per cent. to 412,000 tons per annum for the four years 1911-14, during which the rebate was raised to 30 per cent.

Owing to the failure of the wheat crop in Argentina in 1914, exports of both flour and wheat of that origin fell below the average for the preceding three years and though made good to a certain extent by increase of imports from U.S.A. and Australia, consumption was checked by this and other causes of a financial nature.

Consequently comparison with the movement of the four years 1911-1914 does not constitute a fair basis for comparison of the movement of the two latter periods, 1907-10 and 1911-14.

Comparing, therefore, the movement of the last three years of 1907-10 with that of the three subsequent years 1911-13, consumption will be seen to have increased by 90,000 tons per annum or 26.7 per cent. when the rebate ruled 30 per cent., whereas comparison of the three years 1907-10 with the period 1903-05 shows the increase to have been 79,000 tons or at the rate of 31.1 per cent.!

Consumption increased, it is true, but not in the proportion that the additional rebate would seem to have justified, in view of the rapidly increasing population and unprecedented prosperity of the country during this last period, 1910-1913.

At first sight this might seem an argument against rebates, but as a matter of fact, no abatement of duties tending to lower cost could directly prejudice consumption and the explanation must be sought in other causes.

Thinking that it might be found in the statistics of f.o.b. value, we have tabulated them for each period with the following results:—

Value per ton of 1,000 kilos in milreis currency:—

	U.S.A.	Argentina & Uruguay	All countries
1903-05	187\$	213\$	206\$
1907-11	180\$	243\$	190\$
1912-14	176\$	219\$	193\$

Tons	99,525	458,535	1,667,300
Value, f.o.b. Brazil, milreis	197,703,694	979,962,242	329,156,704
Av. Value per ton in milreis	179\$	201\$	197\$

Clearly such differences cannot exist in practice or American flour be sold f.o.b. at an average of twenty-two milreis per ton over Argentine for such a number of years. In fact, we have always had our doubts as to the reliability of the declarations of value in certain consular invoices, though we fail to understand what possible object there can be for systematic over-statement by American shippers of flour of either cost, freight or insurance, seeing that duties on this article are ad valorem.

We regret not to have time to thrash out the problem to enable us to arrive at definite conclusions as to why consumption should have shown so comparatively small an increase during this, the unquestionably most prosperous period in our commercial history, 1911-13, when even parsimonious Italian "colonists" had taken to the use of "luxuries" like flour. To the Italian as to the Brazilian farm labourer, wheat flour is not an absolute necessity. For many years its consumption was practically confined to towns and cities, being substituted in the interior by polenta

and by farinha de mandioca by Brazilian labourers. Now that prices have risen and the purchasing power of the currency has declined, the labourer seems disposed to return to his former habits and the consumption of luxuries like flour, consequently, tends to decline.

For the three years 1911-13 imports of flour from Argentina averaged 117,000 tons per annum or more than double those from the U.S., from which only 53,000 tons were on an average annually imported. Inclusive of wheat, imported during the three years, almost entirely from Argentina, the amount of flour furnished to consumption by Argentina was at the rate of 366,000 tons per annum.

In the course of the ten years, 1903-13, the consumption of flour in Brazil increased 228,000 tons or just 100 per cent.

Of the increase, imports of flour accounted for only 53,000 tons or 23.2 per cent. and those of wheat 175,000 tons or 76.8 per cent.

The regulation duty on wheat is 10 reis per kilo equivalent to 15 reis per kilo of flour produced, as against 34 reis per kilo paid by Argentine flour and 23.8 reis by American (at 13d. exchange).

The grounds on which American millers found their claim for preferential treatment is the advantage over America that Argentina enjoys by exporting the raw material instead of the manufactured article, not to mention geographical advantages that permit importation of both Argentine flours at lower rates of freight.

From the purely reciprocal point of view, that employs tariffs for political purposes or to redress industrial disabilities, there might be some foundation for claim to compensation. But from the purely economic point of view, the advantage of each country must always be to sell and to buy in the best markets possible.

As regards our principal export—coffee—unquestionably the United States is the best of all markets, not only because it is the largest of consumers of our product, but because, unlike almost every other country, its importation is entirely free from taxation. This unquestionably is a strong argument in favour of reciprocal treatment of American products, so long as exemption endures. But should, as seems very likely, a duty on coffee be created in the United States the *raison d'être* of reciprocity would ipso facto disappear.

No doubt the rebate on American flours has tended to lower prices of flour of every origin in this country, and in so far has been beneficial to consumers.

Both as regards the fiscal features and industrial movement it involves, it may be questioned whether the advantages even of exemption of coffee from taxation in the United States may not be too dearly purchased. Of the difference between the cost of imported wheat and the flour milled in the country therefrom, by far the greatest part unquestionably remains in the country for remuneration of labour, transport and capital and only a small moiety is exported in the shape of profits.

From the protectionist point of view, that both countries have adopted, the labour employed in the manufacture of flour in the United States is so much gain to their own industries and, consequently, loss to the country that imports manufactures instead of utilising the raw material itself, seeing that the advantage of importing materials in the raw in lieu of in finished condition is an axiom of protection.

In consequence of the importation of 1,142,000 tons of wheat in the course of the ten years under review, which might just as easily have been milled here, the labour employed in the process has been lost to the country and its cost diverted to foreign countries. The allegation that only foreign capital gains by the protection of the flour industry in Brazil is incorrect. Capital is international and if the share lists of the ten or more large flour mills working in Brazil were consulted would probably show the number of local holders to exceed that of foreign.

We ourselves are of a different way of thinking and believe that true economic advantage lies in the unrestrained exchange of products between different countries. But to be really advantageous it must be whole-hearted and unrestrained by any artificial restrictions such as reciprocal agreements entail.

During the eight years under review, the amount of flour imported into Brazil from the United States was 352,000 tons (1906 omitted), on which the duties remitted amounted to 2,478,355\$ milreis, a real and tangible sacrifice on our part for which the only compensation has been the negative one of desistance on the part of the United States from taxation of Brazilian coffees.

No doubt there has in the United States been always a repugnance to tax coffee, not only for domestic reasons, but because there was a real desire to refrain from injuring Brazilian interests and to cultivate friendly relations between the two countries.

On our side the protection that the fiscal policy of the United States has afforded to Brazil's leading staple has been fully recognised by the adoption of reciprocal treatment of certain American products, against even convictions as to its political expediency in some quarters.

Should the United States Government find itself unable to dispense with a tax on imports of coffee, howsoever the sense of gratefulness for friendly treatment of our product might prompt Brazilians not to modify their treatment of certain branches of American trade, in the long run fiscal exigencies would be bound to bring it about.

It is, however, a mistake to suppose that the mere suppression of reciprocal favours would prejudice United States trade further than the loss of profits corresponding to the differences between the prices at which the same amount of flour might be saleable in Brazil or other countries. The rebate simply enlarges the margin of profit, but even if it were withdrawn altogether, it would not prevent the flour that might otherwise be exported to Brazil from being sold and consumed in other countries.

It is sincerely to be hoped that there will be no necessity of raising revenue in the United States by taxation of coffees, but even if there were it would be a moot point as to who would pay the tax, the American consumer or the Brazilian producer.

If at the moment the tax were imposed the prices of coffee were rising in consequence of an excess of demand over supply, the consumer would unquestionably pay the tax, in the sense that producers could put up their prices in proportion with impunity.

If, on the other hand, prices were already falling when the supply exceeded the demand, the burden of the tax would as certainly fall on producers.

Foreseeing not only the possibility of the supply shortly exceeding demand for coffee, but also the possibility of prices being still further depreciated by taxation of the article in consuming markets hitherto immune, the S. Paulo Government now proposes to buy up and take off the market enough coffee to put it in a position to act as the regulator of the supply until such time as conditions, disturbed by the war, become normal again. There is no desire on the part of S. Paulo to raise coffee prices inordinately, but merely to prevent them from falling and to protect, this the principal commercial interest of the country.

Should the United States, from fiscal motives, or because this fresh scheme for valorisation by the S. Paulo Government were regarded as an aggression determine to retaliate by taxing coffee, the country would have no resource but to cancel the differential treatment granted to flour and to recoup itself by forcing the price of coffee up proportionately.

**PROJECT OF LAW PRESENTED BY DR. CINCINNATO
BRAGA, THE INFORMING MEMBER OF THE
FINANCE COMMITTEE TO THE CHAMBER OF DEPUTIES
ON 26th JULY, 1915.**

The Committee recommend:—

1. Consolidation, when judged convenient, of the 6% Treasury Bills, payable in currency issued in virtue of Art. 4 of Law 2,419 of December, 1914, at not less than 95 per cent. of their nominal value.

§1 In so far as the above operation is not put into effect, the forementioned Treasury Bills shall be admitted as security and also to serve as reserves for fire, life and maritime insurance com-

panies, whether mutual or joint stock, national or foreign, under the same conditions as stipulated for Apolices (internal bonds), as also as security for loans by the Monte de Socorro (Official Pawn Office).

§2. For the redemption of the forementioned Treasury bills the whole of the revenues specified by law for amortisation of internal loans shall be set aside until the consolidation referred to be realised.

§3. Creditors for the fiscal years 1915 and 1916 may exercise the option of receiving amounts due to them in Treasury Bills, gold or paper, created by said law No. 2,919 of 31st December, 1914.

II. Elevation of the rate of interest paid by the Caixas Economicas (Official Savings Banks) to 6 per cent. per annum and of the maximum deposit to ten contos of reis.

III. Creating resources up to the value of Rs. 300,000:000\$ (milreis) to attend to requirements of the Federal Administration, the commercial situation and the defence of national production on the following terms:—

(a) Issue of internal 6 per cent. bonds (apolices) the service of which shall be specially secured up to the value of Rs. 150,000:000\$ by the taxes on consumption of tobacco and matured coupons for which shall be available for payment of taxes.

§1. Should the state of the market forbid the immediate issue of the forementioned bonds against the amount of bonds deposited with the Caixa de Amortisação notes to same value may be issued. As soon as official quotation for said bonds has been granted they shall be disposed of in proportion to the capacity of the market to absorb them without prejudicing their value, and the amount received be handed over to the Caixa de Amortisação for incineration.

§2. The proceeds of the loan shall be applied as follows:—

(a) For liquidation of the deficit of the current year and to meet credits as may be required in addition to those already authorised by decree 2,974 of 15th July, 1915, and for expenditure caused by the drought.

(b) To amplify the action of the Bank of the Republic and its agencies, particularly as regards commercial discounts, to which end the capital of the bank shall be integralised and raised to a maximum of 85,000,000 milreis.

(c) To issue special notes to the value of Rs. 150,000:000\$ for the stimulation of national production in the form judged most convenient with adequate guarantees and security, to which end agreements duly guaranteed may be come to with the Governments of the States under fiscalisation of the federal authorities.

(d) To withdraw from the "Paper Money Guarantee Fund" a sum not exceeding Rs. 50,000:000\$ (milreis) currency to be employed in aid of national industries, commerce and agriculture during the exceptional crisis through which we are now passing.

§1. With that object loans shall be effected for a period not exceeding one year on guarantee of commercial values (bills) accepted by two agriculturists and one commercial or industrial firm, with endorsement by a reputable bank, on condition of the period for expiration of said bills not exceeding 90 days.

§2. Both capital and interest of the forementioned loans shall revert to the Guarantee Fund.

§3. For reinforcement of the Guarantee Fund, Government may effect any credit operations judged advisable.

V. Authorising arrangements with steamship companies for reservation of space for export of frozen meat and fruit from Brazilian ports and to that end to remit payment of one-half of the respective dues and taxes that steamer would be liable to or to assume direct responsibility for the space reserved.

VI. To come to an agreement with the States that have failed to meet with punctuality the service of their foreign loans for the Union and to assume responsibility for same on the following conditions:—

(a) Express authorisation by the Legislature of the respective State to collect all duties on exports or others judged requisite to complete the sum required for meeting the service of the State debts subject to this agreement.

(b) The aforesaid authorisation shall stipulate for reinforcement of the guarantee furnished to the Union when requisite for maintenance of service of said debt, and that any modification

whatsoever of the actual taxation be forbidden without previous consent of the Federal Government.

(c) Said agreement shall stipulate that the specified taxes shall be entirely collected by the Union and that therefrom shall be deducted the cost of collection and the service of the loans subject to the agreement and the balance be handed over to the Government of the State.

(d) It shall be likewise stipulated that no other loan may be negotiated by such States until those subject to this agreement have been liquidated.

[The foregoing Bill or Project of Law came to hand just as we were going to press and in consequence of the interest with which it will certainly be regarded abroad in financial circles, we have kept the press back in order to give a translation of the project, but must leave comments until next number.]

REPORTS OF COMPANIES

South Brazilian Railways. The report of the South Brazilian Railways Company, Ltd., for the year ended 31st March, 1914, states that since 1st April, 1913, the company has been operating the Tramways, Light and Power of Curitiba for its own account. The results of the financial year have been influenced by the serious political, economical and financial crisis which has existed in Brazil, including the State of Paraná and for this reason the development of the company's undertakings has been retarded. The results were as follows:—Gross earnings:—Tramways, £29,056; light and power, £47,896, together £75,953; operating expenses, £53,512, leaving operating profit £22,440. Interest on debentures and loans and general expenses in Europe, absorbed £51,894, leaving a deficit of £29,454. The board has been under the necessity of asking for an extension of the loans granted in respect of the amounts outstanding at the close of the financial year and have also had to contract new loans in order to meet liabilities. The directors were likewise obliged to make arrangements for the postponement of the payment of amounts due to certain suppliers. These loans are secured by 6,902 debentures of the company (first and second series) at present unplaced, together with an option on such debentures, and upon certain Six per Cent. Preference shares and Second Mortgage Debentures to be eventually issued. Owing to the European war it was not possible to provide funds to meet the coupons due on the Debentures due on 1st October, 1914, and 1st April, 1915, and a scheme of arrangement has been prepared by the Board. Application has been made to the Court to sanction this scheme, which, if approved, will, in the opinion of the directors, protect the interests of the Debenture holders and of the other creditors of the company, and will give the undertaking the time required to consolidate its business.

MONEY

Closing Rates were as follows:—

	90 days' Bank	Commercial	Sovs.
Saturday, 17th July	13	13 1-16	18\$800
Monday, 19th July	13	13 3-32	18\$800
Tuesday, 20th July	13	13 3-32	18\$800
Wednesday, 21st July	13	13 1-16	18\$900
Thursday, 22nd July	12 31-32	13 1-32	18\$900
Friday, 23rd July	12 15-16	13	18\$900
Saturday, 24th July	12 7-8	12 31-32	19\$000

Rio de Janeiro, July 24th, 1915.

The market opened on Monday, 19th inst., with banks drawing at 12 15-16d., improving to 13 1-32d. by Wednesday, 21st, at which it closed. On Thursday rates weakened and gradually declined to 12 1/4d. on Saturday morning, closing with banks drawing at 12 7-8d.

The real factors show a decided improvement in both entries and embarques and sales of coffee, but stocks have again passed the million level. The report of the Finance Committee is understood

to favour the proposal for issue of 150,000 contos to take coffee off the market, if necessary, and keep prices from falling and, possibly, something more to help the Treasury to pay its anxious way and 50,000 contos for the drought in the Northern States, perhaps in all some 300,000 contos.

On the quantitative theory of value, an increase of 30 per cent. in the volume of the currency ought to depreciate its value and lead to a further fall of exchange. As a matter of fact the quantitative theory is pretty well exploded and we doubt whether it would affect exchange very much so long as the issue does not over-stimulate remittances and consequently the demand for sterling bills.

Buying up coffee will not effect exchanges, as the money will go into the pockets of producers and only affect the demand for sterling bills indirectly, through the growth of imported commodities that higher currency prices and value of coffee may give rise to. This, however, would be perhaps more than compensated by a rise in sterling price of coffee exports that would ensue, and ensure at least, the maintenance of coffee values on the basis of 1914. and, perhaps, of their rising, for a time at least, considerably beyond that. For 1914 it must be recollected coffee exports yielded only £27,000,000, as against £40,000,000 in 1913, which shows how essential it is that prices should not be allowed to fall any further.

It is just possible that no valorisation at all may be required and that coffee may be again freely allowed to reach "enemy" markets as it evidently did in 1914.

The risk of valorisation of course lies in the contingency of consecutively heavy crops. Experience, however, shows that this seldom occurs and that after a good crop one year the next crop or two are likely to be smaller.

But, nothing venture nothing win!

The last valorisation was a success in spite of the croakers, if only we get our money out of Germany, and there is reason to believe that, if we hold out, the next experiment will turn out better still. Anyhow by storing the coffee here the cost will not only be much lighter but the expenditure be all in currency and the money it represents spent in the country instead of abroad. In fact, it seems a pity that the coffee could not be stored up country instead of at Santos and the cost of railway transport be thus saved.

As to the ultimate effect of repeated issues of paper money on exchanges, we venture no opinion, except that even a desperate fall might not be an unmixed evil did it oblige this country to practise economy and to live more on its own resources, as Germany is doing to-day.

Exchange is bound, in our opinion, to go down eventually until a level is reached that will counterbalance excessive taxation and permit products of this country to compete with others on a more advantageous basis. The more exchange falls the more imports will be restricted: the more exports will be stimulated and the balance of international trade be improved.

The Emergency Issue. The statement for 24th July is as follows:—

Received from Caixa de Amortisação	149,600,000\$
Withdrawn and burnt	10,022,551\$
Balance of authorised issue at Caixa de Amortisação	400,000\$
Loaned to banks	100,000,000\$
Interest deposited to cover expenses of issue	56,378\$
Interest due from banks	9,050\$

Repaid by banks on account of amort. and int.—

Cash	4,408,960\$
Treasury bills	72,418,000\$
Interest on same	122,076\$
Expenses of issue	38,478\$
	<u>76,987,514\$</u>
	337,075,493\$

Alterations since 17th June:—	
Increase repayment in cash by banks	88\$
Increase repayment in bills by banks	228,000\$
Increase interest on bills	2,248\$
Increase interest due from banks	9,050\$

Latest Quotations:—

	1915	1914
4 per cent. 1889	44	72
Funding, 1898, 5 per cent.	98	100
Funding, 1914	70½	—
1910 4 per cent.	43	69½
S. Paulo 1888	88	95
S. Paulo, 1913 5 per cent.	90½	98
Leopoldina stock	31	55
S Paulo Railway Ordinary	165	238½
Traction Ordinary	50	73½
Brazil Railway Ordinary	6	24
Consols	66½	75¼
Dumont Coffee Co.	8½	9
Apolices	810\$ to 815\$	
Gold vales	14d.	
Treasury bills, 23½ to 25 per cent. discount.		

COFFEE

Rio de Janeiro, July 24th, 1915.

Entries for the week ended 22nd July at the two ports show an increase of 107,504 bags, of which 103,915 at Santos, but only 3,589 at Rio, which as usual holds out much the better of the two. It seems strange that with such well founded expectations of a rise of prices if the new valorisation scheme should materialise, S. Paulo planters should be in such a hurry to dispose of their stuff. The secret, we suppose, is that in S. Paulo planters are much more in the hands of their commissarios than at Rio and so obliged to remit their produce, not as they like, but as their creditors require.

Compared with the same week last year, entries at the two ports show an increase of 98,597 bags or 25.3 per cent. For the crop to 22nd July entries at the two ports show an increase of 214,823 bags or 23.1 per cent. compared with same period 1914-15.

The quality of the bean does not improve as the crop proceeds.

Clearances at the two ports were 20,610 heavier than for the previous week, but 49,455 bags under same week's last year. f.o.b. value for the week improved from £1,943 to £2,104 per bag.

For the crop to 22nd July, clearances show an increase of 7,130 bags or 1.9 per cent. in quantity, but shrinkage to £203,737 or 20.6 per cent. in f.o.b. value compared with same period last year.

Demand is still poor here, almost nil for the States, but somewhat better for Scandinavia. Advances from London are to the effect that shipments to Holland from Brazil will be limited for the month of August to 60,000 bags and from other countries to 20,000 bags.

There is no lack of steamers or cargo space, whatever some parties interested in starting inter-American lines may pretend, as the experience of the big Royal Mail s.s. Carmarthenshire shows. Shipping to Greece via Marseilles has been renewed.

Clearances—A Correction. For the week ended 22nd July clearances should have been 229,012 instead of 252,012 bags and the f.o.b. value £1,943 in lieu of £2,147.

Embarques at the two ports were larger than previous week's by 84,641 bags.

Sales of 188,894 bags were declared at the two ports, which is 73,365 bags over previous week's and 38,000 bags over same week's last year.

Sailed. Of the total of 140,400, only 24,710 bags went to the States, 105,232 bags to Europe and 10,458 bags coastwise and to other countries during the week under review.

Stocks at the two ports had on 22nd July already passed the million, the increase since previous Saturday being 234,220 bags and compared with same date last year 129,894 bags.

Prices compared with previous Saturday show an all round improvement of 68 reis per 10 kilos for Nos. 7 and 8 Rio, 100 reis for superior and 200 reis for Santos good average. No quotations were cabled for spot New York, but September options improved 8 points, December 11 and March 12, compared with previous Saturday.

Weather: Four days fine and three rainy during the week.

Crop Shipments, Victoria:—

1910-11	251,094
1911-12	454,318
1912-13	475,213
1913-14	557,788
1914-15	520,297

The 1910-11 season seems to have been abnormally small, but judging from the subsequent seasons, there has been a regular, if not very considerable, increase of 15,330 bags per annum during the three seasons 1912-15.

Consumption of Coffee in France:—

	Four months—January-April		
	Bags of 60 kilos.		
	1915	1914	1913
Deliveries as per M. Lancuville (debouchés)	908,000	976,000	543,000
Clearances at customs	385,000	350,000	339,000
Re-exports (?)	523,000	626,000	204,000
Increase consumption France, four months, 1915-14			30,000
" " " " " " 1914-13			46,000

—Apropos of the world's visible supply, Messrs. Aborn and Cushman remark in their circular of 11st June:—The fact that the world's visible supply of coffee shows a decrease on May 1st of over three million bags, is truly significant unless these figures are to be cast aside as unconsidered. Some find the small stock held at Santos, about 300,000 bags, a bullish feature, while others differ radically from this conclusion, claiming that commissarios are refusing to buy of the planters at present prices. Prices for forward shipment seemed to indicate for a long time the truth of this contention, but having advanced to a nearer parity with immediate shipments much of its force has been lost. The recent improvement in market is as explainable as the decline from which it reacted. The pendulum will swing backward and forward, but we cannot advise any action than that of filling wants as they develop.

Coffee Market

ENTRIES.

IN BAGS OF 60 KILOS.

RIO	FOR THE WEEK ENDED			FOR THE CROP TO	
	July 22 1915	July 15 1915	July 23 1914	July 22 1915	July 23 1914
Central and Leopoldina Ry	86,408	38,735	57,741	115,586	178,418
Inland	1,325	1,034	544	4,383	2,724
Coastwise discharged	1,737	404	181	5,259	509
Total	3,470	40,173	53,466	125,228	182,051
Transferido from Rio & Nictheroy	518	976	204	1,755	1,429
Net Entries at Rio	38,952	39,197	58,262	123,473	180,622
Nictheroy from Rio & Leopoldina	8,39	4,705	5,487	15,103	23,440
Total Rio, including Nictheroy & transit.	47,491	43,902	63,749	138,576	204,062
Total Santos	341,508	237,593	226,553	792,593	512,324
Total Rio & Santos	388,999	281,495	290,402	931,169	716,386

The coast arrivals for the week ended July 22th, 1915, were from:—

Bahia	1,125
Santos	378
S. João da Barra	234
Total	1,737

The total entries by the different S. Pau's Railways for the Crop to July 22th, 1915, were as follows

	Past Jundiaby	Per Sorocabana and others	Total at S. Paulo	Total at Santos	Remaining at S. Paulo
1915/1916	668,868	25,998	694,866	—	—
1914,1915	496,411	34,989	531,400	512,384	—

COFFEE LOADED (EMBARQUES).

IN BAGS OF 60 KILOS.

	DURING WEEK ENDED			FOR THE CROP TO	
	1915 July 22	1915 July 15	1914 July 23	1915 July 22	1914 July 23
Rio	69,376	36,005	57,424	146,270	158,243
Nictheroy	3,274	5,485	6,644	10,804	19,680
In transit	—	—	—	—	—
Total Rio including Nictheroy & transit	72,650	41,440	64,068	157,074	177,893
Santos	187,131	23,700	123,782	3,6327	310,337
Rio & Santos	209,781	125,140	187,850	483,401	488,230

FOREIGN STOCKS.

IN BAGS OF 60 KILOS.

	July 22/1915.	July 15/1915.	July 23/1914
United States Ports	1,186,000	1,273,000	1,342,000
Havre	1,933,000	1,953,000	2,913,000
Both	3,119,000	3,226,000	4,255,000
Deliveries United States Visible Supply at United States ports	116,000	86,000	110,000
	1,440,700	1,508,000	1,650,000

SALES OF COFFEE.

DURING THE WEEK ENDING JULY 22th, 1915.

	July 22/1915	July 15/1915	July 23/1914
Rio	38,922	31,982	38,267
Santos	149,972	83,347	112,628
Total	188,894	115,329	150,895

COFFEE SAILED.

During the week ended July 15th, 1915, were consigned to

the following destinations:—

IN BAGS OF 60 KILOS.

PORTS	UNITED STATES	EUROPE & MEDITERRANEAN	COAST	RIVER PLATE	CAPE	OTHER PORTS	TOTAL FOR WEEK	CROP TO DATE
Rio	6,500	6,010	1,950	3,288	—	—	17,748	86,497
Santos	18,210	99,222	—	5,221	—	—	122,653	294,655
1915/1916	24,710	105,232	1,950	8,508	—	—	140,400	381,152
1914/1915	88,729	100,426	6,926	8,750	—	—	194,831	376,990

VALUE OF COFFEE CLEARED FOR FOREIGN PORTS.
DURING THE WEEK ENDING JULY 22th, 1915.
IN BAGS OF 60 KILOS.

	July 22		July 15		Crop to July 22	
	Bags	£	Bags	£	Bags	£
Rio.....	15,793	46,916	26,811	103,138	77,076	152,868
Santos.....	122,652	70,924	284,487	150,812	294,455	628,779
Total 1915/1916.	138,450	117,840	291,298	252,950	371,531	781,447
do 1914/1915	187,906	91,261	115,912	103,748	364,401	985,184

OUR OWN STOCK.
IN BAGS OF 60 KILOS

RIO Stock on July 15th, 1915.....	60,137
Entries during week ended July 22th, 1915.....	38,952
Loaded «Embarques», for the week July 22th, 1915...	105,089
STOCK IN RIO ON July 22th, 1915.....	69,376
Stock at Nictheroy and Porto da Madama on July 15th, 1915.....	35,713
« Afloat on July 22th, 1915.....	19,105
Entries at Nictheroy plus total «embarques» including transit.....	99,629
Deduct: embarques at Nictheroy, Porto da Madama and Vianna and sailings during the week July 22th, 1915.....	81,289
STOCK IN NICTHEROY AND AFLOAT ON July 15th, 1915.....	200,023
STOCK IN SANTOS ON July 22th, 1915.....	179,001
STOCK IN 1st and 2nd HANDS and THOSE AT NICTHEROY and AFLOAT ON July 22th, 1915.....	214,714
SANTOS Stock on July 15th, 1915.....	749,902
Entries for week ended July 22th, 1915.....	341,508
Loaded (embarques) during same week.....	1,091,410
STOCK IN SANTOS ON July 22th, 1915.....	137,131
Stock in Rio and Santos on July 22th, 1915.....	954,279
do do on July 15th, 1915.....	1,168,393
do do on July 23th, 1914.....	934,773
	1,039,699

COFFEE PRICE CURRENT.

DURING THE WEEK ENDING JULY 22th, 1915.

	July 16	July 17	July 19	July 20	July 21	July 22	Ave- rage.
RIO—							
Market N. 6 10 kilos	5.038	—	—	—	5.107	5.107	—
» N. 7	5.107	5.107	5.107	5.107	5.175	5.175	5.114
» N. 8	4.934	—	—	—	4.902	4.902	—
» N. 9	4.902	4.902	4.902	4.902	4.971	4.971	4.909
» N. 10	4.562	—	—	—	4.630	4.630	—
» N. 11	4.630	4.630	4.630	4.630	4.698	4.698	4.637
» N. 12	4.200	—	—	—	4.358	4.358	—
» N. 13	4.358	4.358	4.358	4.358	4.426	4.426	4.365
SANTOS—							
Superior per 10 kilos...	5.600	5.600	5.600	5.600	5.600	5.600	5.600
Good Average.....	4.200	4.200	4.200	4.200	4.200	4.200	4.200
N. YORK, per lb..							
Spot N. 7..... cent.	—	—	—	—	—	—	—
» » 8..... »	—	—	—	—	—	—	—
Options—							
» Sept..... »	680	689	687	689	688	685	685
» Dec..... »	688	696	697	698	693	695	694
» Mar..... »	701	709	710	710	705	707	707

MANIFESTS OF COFFEE.

RIO DE JANEIRO.

During the week ending July 22nd, 1915.

—P. SATRUSTEGUI—B. Aires	Theodor Wille & Co...	900
Ditto.....	Ornstein & Co.....	400
Ditto—Montevideo.....	Theodor Wille & Co....	200
Ditto.....	Ornstein & Co.....	100
Ditto—P. Murtinho.....	Stolle Emerson & Co...	100
		1,700
—A CHARNER—Havre.....	Louis Boher & Co ...	5,000
Ditto.....	Pinheiro & Ladeira...	1,000
		6,000

14—RIO BLANCO—New Orleans ...	Ornstein & Co.....	5,500
Ditto.....	Pinheiro & Ladeira...	1,000
		6,500
—FLANDRE—Buenos Aires.....	Castro Silva & Co.....	400
2—OSALERNO—Buenos Aires.....	Theodor Wille & Co....	500
Ditto.....	Ornstein & Co.....	288
Ditto.....	McKinley & Co.....	250
Ditto.....	Gtolle Emerson & Co...	150
		1,188
21—AVON—London.....	McKinley & Co.....	10
		10
	Total overseas.....	15,798

COASTWISE.

—ARACATY—Ceará.....	Ornstein & Co.....	615
Ditto.....	Eugen Urban & Co ...	05
Ditto.....	Sequeira & Co.....	140
Ditto—Pernambuco.....	Galeno Gomes & Co...	100
Ditto—Maranhão.....	Ornstein & Co.....	100
Ditto—Maceió.....	McKinley & Co.....	80
Ditto—Obidos.....	Ornstein & Co.....	25
		1,110
10—MAROIM—Porto Alegre.....	Castro Silva & Co.....	200
Ditto.....	Miranda Jordao & Co...	50
Ditto.....	Pinto & Co.....	25
		275
17—TIJUCA—Pernambuco.....	Ornstein & Co.....	240
Ditto.....	McKinley & Co.....	100
Ditto.....	Theodor Wille & Co....	110
Ditto—Tutoya.....	Sequeira & Co.....	50
Ditto—Pará.....	Zenha Ramos & Co....	15
		515
17—ASSU—Porto Alegre.....	Miranda Jordao & Co...	50
		50
	Total coastwise.....	1,950

SANTOS.

During the week ending July 22nd, 1915.

13—ZEEELANDIA—Buenos Aires ...	Eugen Urban & Co ...	2,370
Ditto.....	Stolle Emerson & Co...	395
Ditto.....	E. Alves Toledo & Co...	200
Ditto.....	Hard, Rand & Co.....	100
Ditto—Consumption.....	A. Reismann.....	1
		3,066
—SE VITTORIO—Genoa.....	P. Ferreira & Co.....	1
Ditto.....	Nino Paganetti.....	1
		2
—TUBANTIA—Amsterdam.....	Cia. Prado Chaves.....	5,000
Ditto.....	Hard, Rand & Co.....	5,000
Ditto.....	M. Wright & Co.....	4,000
Ditto.....	Naumann Gepp & Co...	3,849
Ditto.....	Eugen Urban & Co....	2,500
Ditto.....	Leme Ferreira & Co...	2,000
Ditto.....	Malta & Co.....	1,500
Ditto.....	Ed. Johnston & Co ...	2,000
Ditto.....	Nioac & Co.....	1,000
Ditto.....	Dauch & Co.....	1,000
Ditto.....	Raphael Sampaio & C...	1,000
Ditto.....	Zerrenner Bulow & C...	564
		29,413
15—LEALTA—Buenos Aires.....	R. Alves Toledo & Co...	660
		660
—MAASLAND—B. Aires.....	G. Trinks & Co.....	480
		480
—A. KERSANT—Montevideo.....	Société F. Bresilienne.	619
Ditto.....	Société F. Bresilienne.	395
		1,014
—PACIFIC—Gothemburg.....	Naumann Gepp & Co...	5,500
Ditto.....	Cia. Prado Chaves.....	2,250
Ditto.....	Leon Israel & Bros...	2,000
Ditto.....	E. Whitaker & Co....	1,500
Ditto.....	Hard, Rand & Co.....	1,300
Ditto.....	Whitaker Brotero & C...	500
Ditto.....	M. Wright & Co.....	500
Ditto.....	Société F. Bresilienne.	250
Ditto—Stockholm.....	Ed. Johnston & Co ...	4,500
Ditto.....	Nordskog & Co.....	1,625
Ditto.....	Ernesto Whitaker & C...	1,000
Ditto.....	Malta & Co.....	1,000
Ditto.....	Société F. Bresilienne.	1,000
Ditto.....	Whitaker Brotero & C...	1,000
Ditto.....	Hard, Rand & Co.....	500
Ditto.....	Cia. Prado Chaves.....	500
Ditto—Christiania.....	Nordskog & Co.....	4,750
Ditto.....	Leme Ferreira & Co...	500
Ditto.....	G. Trinks & Co.....	500
Ditto.....	Cia. Prado Chaves.....	500
Ditto.....	Ed. Johnston & Co....	500
Ditto.....	M. Wright & Co.....	250
Ditto.....	Hard, Rand & Co.....	250
Ditto.....	Naumann Gepp & Co...	250
Ditto—Malmo.....	Cia. Prado Chaves.....	1,750
Ditto.....	Whitaker Brotero & C...	500
Ditto.....	Leon Israel & Bros...	500
Ditto.....	E. Whitaker & Co.....	250
Ditto—Consumption.....	Schmidt Trost & Co....	14
		35,439

16-MINAS GERAES—New York	Theodor Wille & Co.	3,750	
Ditto	Levy & Co	3,025	
Ditto	Ed. Johnston & Co	2,000	
Ditto	G. Trinks & Co	1,935	
Ditto	Nioac & Co	1,750	
Ditto	McLaughlin & Co	1,500	
Ditto	Leme Ferreira & Co.	1,500	
Ditto	J. Aron & Co	1,250	
Ditto	Hard. Rand & Co	1,000	
Ditto	Whitaker Brotero & C.	500	18,210
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19-PROVENCE—Alexandria	R. Alves Toledo & Co.	5,500	
Ditto	Hard. Rand & Co	2,000	
Ditto	M. Wright & Co	1,500	
Ditto	Cia. Prado Chaves	1,000	
Ditto	Naumann Gepp & Co.	250	
Ditto—Marseilles	R. Alves Toledo & Co.	2,247	
Ditto	Levy & Co	2,000	
Ditto	Nioac & Co	250	14,747
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-K. VICTORIA—Stockholm	Nordskog & Co	4,117	
Ditto	Ed. Johnston & Co.	1,125	
Ditto	Société F. Bresilienne.	1,000	
Ditto	Hard. Rand & Co	750	
Ditto	Whitaker Brotero & C.	250	
Ditto	Cia. Prado Chaves	250	
Ditto—Gothemburg	Cia. Prado Chaves	3,500	
Ditto	Hard. Rand & Co	1,000	
Ditto	Société F. Bresilienne.	1,000	
Ditto	M. Wright & Co.	1,000	
Ditto	Naumann Gepp & Co.	750	
Ditto	Whitaker Brotero & C.	250	
Ditto—Malmo	Cia. Prado Chaves	1,750	
Ditto	Naumann Gepp & Co.	625	
Ditto	Leon Israel & Bros.	250	
Ditto—Christiania	Hard. Rand & Co	875	
Ditto	Nordskog & Co	625	
Ditto	Ed. Johnston & Co.	250	
Ditto	M. Wright & Co	250	
Consumption	Schmidt Irost & Co	4	19,621
<hr/>			
Total overseas			122,652

PER DESTINATIONS		PER SHIPPERS.	
Sweden	44,556	Brazilian	45,034
Holland	29,416	British	31,609
United States	25,710	German and Austrian	24,005
France	10,497	American	17,420
Egypt	10,250	Norwegian	11,117
Norway	9,594	French	9,264
South America	8,597	Overseas	138,450
Great Britain	10	Coastwise	1,950
Overseas	138,450	Total	140,400
Coastwise	1,950		
Total	140,400		

PER SHIPPING COMPANIES	
Swedish	55,060
Dutch	32,958
Brazilian	24,710
French	22,162
Italian	2,362
Norwegian	1,188
British	10
Overseas	138,450
Coastwise	1,950
Total	140,400

RUBBER

Weekly Cable. Quotations for hard fine in London on 23rd July ruled 2s. 6d., a decline of ½d. as compared with previous Friday. At Pará sertão fina closed on Saturday, 24th, at 3\$750, a decline of 50 reis per kilo.

Cost of Production on the Bukit Lembawary Estates was 1s. 10d. f.o.b. Singapore per lb. and 2s. 2.63d. "all in" cost in 1913.

For 1914, owing to reduction of working expenses, the f.o.b. cost was reduced to only 10.15d. and the "all in" to 1s. 0.91d. For 1915 the directors expect that the f.o.b. cost will be further reduced to 8d. per lb.

The gross price realised in 1914 was 2s. 1.54d. per lb, as against 2s. 9.60d. in 1913, but the drop was more than saved in the cost of production.

This is significant judging from the statistics of exports of rubber from this country. The f.o.b. value in Brazilian ports in May was 2s. 1d. per lb., as against 10.15d. for the above Malay company, which it will, it is expected, be reduced to 8d. this year.

At present prices are kept up by the war, but what chance would there be for our product if after the war prices should fall to even 10d. f.o.b. unless cost had meanwhile been reduced by suppression of export duties?

The Java Pará Rubber Co., who own also extensive coffee plantations, report that, at first, prospects for the coffee crop were bad, but that a good flowering in November gives promise of quite a fair if late crop. In fact the crop is expected to be the largest on record—10,000 piculs or about 12,000 cwts, of value of about £25,000. As regards the coffee interplanted with rubber, the directors expect a decline in the production of coffee.

SUGAR

—The statistical position of sugar is getting serious and, as the "Statist" points out, supplies may fall very materially short of the consumption demand.

The total production of the sugar producing world is about 18,000,000 tons, of which 5½ were supplied by countries now at war. Such a reduction of the world's supply cannot but result in a serious inflation of value.

Brazil could certainly supply much more sugar than at present if only some guarantee were given to capitalists entering this business that they would not be taxed out of existence as soon as they had invested their capital. It is the damnable uncertainty of everything here that keeps Brazil back more than anything else. Depreciation of the paper money has its advantages if only we could realise them by inducing capital to come in and develop the agricultural resources, when exchange is low, as the S. Paulo Tramway Co. did and never regretted it. In fact it was the success of this initial American venture that led to the enormous investments by the Tracção group and, indirectly, to that of the not so successful Sorocabana group. Buy when exchange is low and falling and though one may have to wait for one's profits, in a country like this they are certain to materialise some time or other.

Pernambuco, 16th July, 1915.

Sugar. The week has been a very quiet one, with little or no enquiry from home markets, holders are, however, firm and anyone wanting to buy must pay full prices. White crystals are apparently still wanted for Montevideo and about 2,000 bags more freight room has been engaged by "Amstelland." No sales are reported for export, but were there any quantity of bruto secco the last price of 3\$000 would still be paid. The s.s. "Traveller" took 4,722 bags to Liverpool, of which 2,000 were Demeraras and rest bruto secco and when she comes back from Parahyba there may be a little more to go by her.

Entries this month to 13th are 8,142 bags, compared with 6,779 bags for same period last year.

To-day's quotations are as under, but little business passing:—

Usinas	6\$000 to 6\$200	per 15 kilos on shore.
Crystals Eco	5\$700 to 5\$800	" " "
Do. Yellow	4\$300 to 4\$500	" " "
Whites 3a Boa	5\$400 to 5\$500	" " "
Somenos	4\$600 to 5\$200	" " "
Bruto Secco	3\$600 to 4\$000	" " "

Cotton. The entry this month to 13th inst. was 3,919 bags compared with 5,523 bags same date last year. The market keeps very steady at 13\$800. There were no sales and on 10th one of the factories came in and bought 600 bags at 14\$000 and for next

five days this price became general. Not very much business was put through owing to firmness of holders, but with buyers now only offering 13\$800 more sellers are appearing at 14\$000, but so far buyers do not jump at it and only 100 bags were sold at it yesterday to a fabrica and to-day they refuse to go on. Some of the cotton districts nearest to coast are now reported as having had rains, but Sertões are still dry.

Cereals of all kinds are unchanged in price, but buyers are few and far between.

Freights unaltered for liners, but cargo very scarce.

Exchange has been erratic, exceedingly firm some days and flat others and follows very closely the ups and downs of the Rio market. Yesterday some banks put the rate down to 12 9-16d., but others maintained 12 5-8d. to close of day, this morning it was quite bullish and banks were drawers at 12 15-16d. and even 1-32d. more of any money were available, but no rate seems to be able at present to bring out the money, and a telegram in to-day's saying Government meant to push rate up to 14d. will make all takers hold off until the very last minute.

Railway News

THE LEOPOLDINA RAILWAY COMPANY.

ESTIMATED WEEKLY TRAFFIC RECEIPTS

Year	Week Ended.	Receipts for Week			Total from 1st. Jan.
		Currency.	Exch.	Sterling.	
1915	17th. July	453:000\$	12 15/16	£ 26,037	£ 804,311
1914	18th. "	603:000\$	15 7/8	£ 39,886	£ 911,067
Increase....	--	--	--	--	--
Decrease....	--	130:000\$	2 15/16	£ 13,849	£ 106,756

SHIPPING

—The Royal Mail have no engagements to report. For the s.s. Carmarthenshire, which should arrive on 27th, not a bag has so far been engaged, in spite of all the talk of great expansion of consumption in England.

—Mr. Luiz Campos reports 15,000 bags per s.s. Annie Johnson for Scandinavia from Rio, Sept.; 18,000 bags per s.s. Kronprinz Sophia for Scandinavia, from Rio, Sept.; 4,000 bags per s.s. Cordova, for Genoa, Rio, August; 1,000 per s.s. Principe Humberto for Genoa, from Rio, August.

Space for 40,000 bags for Scandinavia is enquired for, but there is no room available until the s.s. Thai on 5 August.

—Mr. Cumming Young reports 26,000 bags for the Cape per s.s. Kinraig. The Danish s.s. L. P. Holmblad has only 5,000 bags from Rio, all other space being taken up by Santos.

—From Santos the following engagements are reported all for Scandinavia and from neutral firms:—49,000 bags coffee per s.s. Kronprinz Gustavo Adolf, 40,000 bags coffee per s.s. Prin Ingeborg, 40,000 bags coffee per s.s. Oscar Frederick, 12,000 bags coffee per s.s. Margaret; total 141,000 bags.

—With regard to cocoa for Scandinavia, in consequence of its liability to be seized, freights are payable in advance and for hedges a banker's guarantee has to be given.

—The Norwegian s.s. Wascana, about 8,000 tons, discharging coal from Norfolk, is chartered to load a full cargo of manganese from Cia. Morro da Mina.

—The "Times of Argentina" of 12th July says:—The Brazilian market has slightly improved during the week, not through increased demand but through a temporary scarcity of carriers. By the way a small steamer or sailer is required for a cargo to Pará. Current rates are as follows:—B. A. to Antonina, Paranaguá and San Francisco, \$4.25 to \$4.50; to Santos and Rio Grande, \$4.50 to \$5; to Rio de Janeiro, \$5 to \$5.25; to Pelotas and Porto Alegre, \$7.50 to \$8, with 50 cents extra for Rosario loading.

—"The Times of Argentina" of 19th July, reports the Brazilian market slightly firmer, and quotes: B. A. to Paranaguá and San Francisco \$4 to \$4.50; to Santos and Rio Grande, \$4.50 to \$5; to Rio de Janeiro \$5 to \$5.25; to Pelotas and Porto Alegre, \$7.50 to \$8, with 50 cents extra for up-river loading.

—"Shipping Illustrated" of 19th June quotes coal rates, Atlantic range to Bahia 36s. prompt and Virginia to Rio de Janeiro 36s. 6d. June; also Baltimore or Virginia to Rio 36s. June and 34s. 9d. Virginia to Rio June.

—There has been a lot of talk of surreptitious shipments of copper to Scandinavia, that would seem to require confirmation in view of the very serious consequences that such shipments would entail on the agents, captain or owners if discovered. It seems very unlikely that the owners would risk almost certain detection and perhaps the confiscation of the steamer if discovered. The British authorities are, however, on the alert and may be trusted to take the necessary measures to defeat any attempt of the kind. A little, of course, might be smuggled out by sailors, but it could not amount to much and as for smuggling copper out as coffee, the weight alone would denounce the attempt, if shipments are thoroughly fiscalised by Lloyd's agents, as they are supposed to be.

The Working of the Overseas Trust. Owing to the suppression of imports of oil and lard, speculators thought it would be a good opportunity to pretend that there was a shortage of supplies at Rotterdam and so raised their prices, to defeat which it is proposed that imports of these products shall be again permitted. The guarantee given to the N.O.T. Co. for goods consigned to their care will not be returned until the war is over, so that the original owners of the goods are obliged to renew their guarantee, given on their behalf by a bank every three months at a cost of one-quarter per cent. of their value. These expenses have to be borne entirely by the holders of the bills.

—An interesting question has come up for judgment in the Dutch courts as to whether the master of a steamer is entitled to refuse final delivery of goods to holders of bills of lading in consequence of promises to the British Admiralty to deliver the goods only to the Overseas Trust. In an action on this point, plaintiff demanded delivery of his goods and indemnification for delay on the ground that he was by no means bound by the captain's declaration and that if he had not entered into such an arrangement with the Admiralty the goods would have been discharged and kept in England and the plaintiff had a claim on the underwriters. The captain had no right to bind himself without first consulting the owners of the bill of lading nor of disposing of properties belonging to third parties without owners' consent. The decision of this important matter, says "Fairplay," should have been given by the Dutch courts on June 30th.

ARRIVALS AT THE PORT OF RIO DE JANEIRO.

DURING THE WEEK ENDING JULY 22nd, 1915.

- July 16.—INDIANA, Italian s.s. 3051 tons, from Genoa
 16.—DESADO, British s.s. 7295 tons, from Liverpool
 16.—MARANHÃO, Brazilian s.s. 1303 tons, from Manaos
 16.—ITAPOAN, Brazilian s.s. 1303 tons, from Porto Alegre
 16.—ORLA, Norwegian s.s. 1708 tons, from Norfolk
 16.—ITAITUBA, Brazilian s.s. 717 tons, from Aracaju
 16.—SAN ONOFRE, British s.s. 5962 tons, from Mexico
 17.—URANO, Brazilian s.s. 141 tons, from Cabo Frio
 17.—KINCRAIG, British s.s. 2283 tons, from Newcastle
 17.—MILTON, British s.s. 2094 tons, from Rosario
 18.—MAYRINK, Brazilian s.s. 375 tons, from Laguna
 18.—SATURNO, Brazilian s.s. 933 tons, from Montevideo
 18.—MARGAM ABBEY, British s.s. 2778 tons, from Norfolk
 18.—PIRANGY, Brazilian s.s. 950 tons, from Santos
 19.—MINAS GERAES, Brazilian s.s. 2174 tons, from Santos
 19.—WASCANA, Norwegian s.s. 2612 tons, from Norfolk
 19.—AFGHAN PRINCE, British s.s. 3183 tons, from New York
 20.—ITAPEMA, Brazilian s.s. 825 tons, from Porto Alegre
 20.—CAMPIUSA, Brazilian s.s. 799 tons, from S. J. da Barra
 20.—K. VICTORIA, Swedish s.s. 4363 tons, from Buenos Aires
 20.—AMSTELAND, Dutch s.s. 2515 tons, from Amsterdam
 20.—PROVENCE, French s.s. 2480 tons, from Buenos Aires
 20.—PLANETA, Brazilian s.s. 253 tons, from Laguna
 20.—SPEDONIA, British s.s. 2087 tons, from Cardiff
 21.—SATELLITE, Brazilian s.s. 892 tons, from Paranaguá
 21.—AVON, British s.s. 6883 tons, from Buenos Aires
 21.—RAMONA, Brazilian lugger, 400 tons, from Itajahy
 21.—PLUTARCH, British s.s. 2587 tons, from B. Air se
 21.—SULK, Norwegian s.s. 2304 tons, from New York
 21.—LOUISIANA, Italian s.s. 3061 tons, from B. Aires
 21.—BOCAINA, Brazilian s.s. 1044 tons, from Amarração
 22.—URANO, Brazilian s.s. 141 tons, from Santos
 22.—T. DI SAVOIA, Italian s.s. 3894 tons, from B. Aires
 22.—DON ENRI, British s.s. 239 tons, from Rosario
 22.—CARANGOLA, Brazilian s.s. 258 tons, from Laguna

VESSELS SAILING FROM THE PORT OF SANTOS

DURING THE WEEK ENDING JULY 22nd, 1915.

- July 13.—RE VITTORIO, Italian s.s. 4363 tons, for Genoa
 14.—LEALTA, Italian s.s. 2060 tons, for Buenos Aires
 15.—ITAPOAN, Brazilian s.s. 512 tons, for Rio de Janeiro
 15.—ITAPURA, Brazilian s.s. 734 tons, for Antonina
 16.—A. DE KERSANT, French s.s. 3565 tons, for Buenos Aires
 16.—MAASLAND, Dutch s.s. 3216 tons, for Buenos Aires
 16.—RHODESIA, Danish s.s. 2635 tons, for Buenos Aires
 16.—PIRANGY, Brazilian s.s. 750 tons, for Manóas
 17.—SATURNO, Brazilian s.s. 515 tons, from Rio de Janeiro
 17.—ITATINGA, Brazilian s.s. 826 tons, for Pernambuco
 17.—MINAS GERAES, Brazilian s.s. 1564 tons, for New York
 17.—BENJAMIN, Argentine s.s. 616 tons, for Paranaguá
 18.—INDIANA, Italian s.s. 3051 tons, for Buenos Aires
 19.—P. DE MORAES, Brazilian s.s. 496 tons, for Laguna
 19.—LAPA, Brazilian s.s. 815 tons, for Antonina
 19.—K. VICTORIA, Swedish s.s. 2160 tons, for Stockholm
 19.—PROVENCE, French s.s. 2480 tons, for Marseilles
 19.—ASSU, Brazilian s.s. 770 tons, for Porto Alegre
 20.—AVON, British s.s. 6882 tons, for Liverpool
 20.—LUIZIANA, Italian s.s. 3061 tons, for Genoa
 20.—URANO, Brazilian s.s. 192 tons, for Rio
 20.—P. DE ASTURIAS, Spanish s.s. 4327 tons, for Barcelona

The Week's Official War News

The following official communiqués have been received by His Majesty's Minister:—

London, July 17th, 1915.

VESSELS SAILING FROM THE PORT OF RIO DE JANEIRO

DURING THE WEEK ENDING JULY 22nd, 1915.

- July 16.—DESEADO, British s.s. 7295 tons, for Buenos Aires
 16.—P. DE MORAES, Brazilian s.s. 497 tons, for Laguna
 16.—ITAPACY, Brazilian s.s. 717 tons, for Aracaty
 16.—MALCOLM, American lugger, 1479 tons, for Baltimore
 16.—DALMATA, Argentine s.s. 1235 tons, for Paranaguá
 16.—FAIRMOUNT, British s.s. 1184 tons, for Baltimore
 17.—ITAPUOA, Brazilian s.s. 978 tons, for Portoo Alegre
 17.—FIDELENSE, Brazilian s.s. 259 tons, for S. J. da Barra
 17.—ASSU, Brazilian s.s. 825 tons, for Port oalgere
 17.—TIJUCA, Brazilian s.s. 1108 tons, for Pará
 17.—GURUPY, Brazilian s.s. 1221 tons, for Paranaguá
 17.—INDIANA, Italian s.s. 3051 tons, for Buenos Aires
 18.—VEENBERGEN, Dutch s.s. 2778 tons, for Santos
 18.—URANO, Brazilian s.s. 141 tons, for Buenos Aires
 18.—SAN ONOFRE, British s.s. 5976 tons, for Buenos Aires
 18.—MILTON, British s.s. 2094 tons, for Las Palmas
 19.—SATURNO, Norwegian s.s. 728 tons, for Buenos Aires
 19.—ITAPOAN, Brazilian s.s. 512 tons, for Mossoro
 19.—MAYRINK, Brazilian s.s. 375 tons, for Caravellas
 20.—ITATINGA, Brazilian s.s. 1181 tons, for Pernambuco
 20.—ESSEX BARON, British s.s. 2749 tons, for Buenos Aires
 20.—ITAITUBA, Brazilian s.s. 717 tons, for Porto Alegre
 20.—BAHIA, Brazilian s.s. 2084 tons, for Manóas
 21.—ITASSUCE, Brazilian s.s. 1175 tons, for Porto Al gre
 21.—PACIFIC, Swedish s.s. 2232 tons, for Christiania
 21.—AVON, British s.s. 6883 tons, for Liverpool
 21.—LOUISIANA, Italian s.s. 2061 tons, for Genoa
 21.—MASCARA, British s.s. 3187 tons, for New Orleans
 22.—SATURNO, Brazilian s.s. 833 tons, for Montevideo
 22.—PROVENCE, French s.s. 2480 tons, for Marseilles
 T. DI SAVOIA, Italian s.s. 4895 tons, for Genoa
 22.—AFGHAN, PRINCE, British s.s. 3183 tons, for Rosario

VESSELS ARRIVING AT THE PORT OF SANTOS.

DURING THE WEEK ENDING JULY 22nd, 1915.

- July 13.—RE VITTORIO, Italian s.s. 4363 tons, from Buenos Aires
 14.—LAPA, Brazilian s.s. 800 tons, from Buenos Aires
 14.—PIRANGY, Brazilian s.s. 750 tons, from Manóas
 15.—ITAQUERA, Brazilian s.s. 926 tons, for Maceio
 15.—A. DE KERSANT, French s.s. 3565 tons, from Havre
 15.—ITAUNA, Brazilian s.s. 504 tons, from Rio de Janeiro
 15.—RIO BRANCO, Brazilian s.s. 747 tons, from Rio de Janeiro
 16.—K. VICTORIA, Swedish s.s. 2160 tons, from B. Aires
 17.—SATURNO, Brazilian s.s. 515 tons, from Montevideo
 17.—ITATINGA, Brazilian s.s. 926 tons, from Porto Alegre
 17.—BENJAMIN, Argentine s.s. 636 tons, from Buenos Aires
 18.—INDIANA, Brazilian s.s. 3051 tons, from Genoa
 18.—PROVENCE, French s.s. 2480 tons, from Buenos Aires
 18.—ASSU, Brazilian s.s. 779 tons, from Rio de Janeiro
 18.—GURUPY, Brazilian s.s. 599 tons, from Natal
 18.—P. DE MORAES, Brazilian s.s. 196 tons, from Rio
 19.—AFGHAN PRINCE, British s.s. 1791 tons, from Buenos Aires
 19.—ROSLA, British s.s. 2879 tons, from Buenos Aires
 19.—URANO, Brazilian s.s. 192 tons, from Rio de Janeiro
 20.—AVON, British s.s. 6882 tons, from Buenos Aires
 20.—LUIZIANIA, Italian s.s. 3061 tons, from Buenos Aires
 20.—ENTREPIJA, Brazilian lugger, 264 tons, from Cabo Frio
 20.—SATURNO, Norwegian s.s. 1398 tons, from Christiania
 20.—P. DE ASTURIAS, Spanish s.s. 4324 tons, from B. Aires

Admiralty announce that during the week ended July 14th 1,380 vessels entered and sailed from British ports. Of these, one was sunk by a mine and three by submarines. The gross tonnage of these vessels totalled 10,016 tons. Six fishing vessels were also sunk by enemy vessels, gross tonnage being 435 tons.

London, July 17th, 1915.

The following official announcement was issued on July 16th:

It has come to the attention of His Majesty's Government that an advertisement issued in the "American Machinery" on May 6th by the Cleveland Automatic Machine Company is being quoted in the United States as showing the type of weapon exported from America for the use of the British Army. The advertisement relates to a new kind of high explosive, the effects of which are described as follows "Material is high in tensile strength and has a tendency to fracture into small pieces on explosion of shell. The timing of the fuse for this shell is similar to shrapnel, but differs in that two explosive acids are used in a large cavity to explode the shell. The combination of these two acids causes a terrific explosion, having more power than anything of the kind yet used. The fragments become coated with these acids in exploding and the wounds caused by them mean death in terrible agony within four hours if not attended to immediately. From what we are able to learn of conditions in the trenches it is not possible to get medical assistance to anyone in time to prevent fatal results. It is necessary immediately to cauterise wounds if in body or head, or to amputate if in limbs, as there seems to be no antidote that will counteract the poison. It can be seen from this that this shell is more effective than regular shrapnel since the wounds caused by shrapnel balls and fragments in the muscles are not dangerous, as they have no poisonous element making prompt attention necessary." His Majesty's Government have reason to believe that this advertisement is not genuine, but was published with the deliberate intention of creating a false impression. However this may be, His Majesty's Government think it right to state that no order whatever for explosive such as that described has been given either in America or elsewhere, and they neither have used nor contemplate using any invention whose effects are those described in the advertisement.

London, July 17th, 1915.

The Following is a summary of Russian official communiqués of July 14th-17th:—

Baltic Provinces—Enemy having received reinforcements in the region of Riga and Shavli, began an advance on July 14 from Hassenpoth Goldingen and the sector Schwieden and Popeliany. After engagements with our advance guards, the enemy on July 15th occupied right banks of rivers Windawa and Venta, and continued in certain sectors movement towards east.

Trans-Niemen Front—After artillery bombardment, enemy attacked north-easterly of Golubokyou and captured some of our trenches, which, however, were reoccupied in a counter-attack.

Narew Front—Enemy assumed offensive along line stretching as far north as Lomzha. Fierce fighting took place, but by end of period our forces withdrew to entrenched positions on banks of river. South of Przasmysz, big German forces attacked and were repulsed with heavy loss.

Central Poland—German attacks were repulsed south of Pilitza.

Lublin-Cholm Front—Exact reckoning of prisoners taken by us July 4th to 11th is now reported. Total 297 officers and 22,464 men. In the direction of Cholm engagements took place on July 12th, where Russians captured 150 prisoners. On the evening of 13th, Austrians showed activity in section of Niezwiska, where at some places, despite our artillery fire, they succeeded in getting across the Dniester. Fighting continues everywhere.

London, July 18th, 1915.

Field-Marshal Commanding British Forces in France reports as follows:—Since my last communiqué of 9th inst. there is no change in the situation on our front. Although no engagements calling for special report took place, there has been considerable activity in front line, several mines having been sprung both by enemy and by ourselves and various portions of our front subjected at times to heavy bombardments. On 19th enemy developed small attack north of Ypres and gained a footing in our front line. Our local supports, however, immediately recaptured what we had lost. On 13th enemy rushed an advanced post on Ypres-Menin road, but were immediately driven back. Further north, on same night, our line was heavily shelled and we lost a trench held by one company. Again the Germans were driven out at once by our bombing parties and trench re-occupied. The feature of this incident was the employment by the enemy of a large quantity of gas shells.

London, July 18th, 1915.

The report issued of the Court under the presidency of Lord Mersey, appointed to investigate the circumstances of the "Lusitania's" destruction is as follows:—

The Court finds that the loss of the ship and lives was caused by torpedoes fired by a submarine of German nationality and that the act was done not merely with the intention of sinking the ship but also with the intention of destroying lives of people on board. The Court held that the ship was provided with boat accommodation for 2,605 persons, the number of persons on board being 1,959. Boats, life-jackets and life-buoys were inspected at Liverpool on 17th March by the Board of Trade Surveyor, and again on 15th April by the Board of Trade emigration officer and the boats were examined by the ship's carpenter at the beginning of the war. Prizes have been given by the company to induce crews to make themselves proficient in handling boats and evidence is borne to the success of this policy by the story of more than one incident of daring seamanship displayed after the catastrophe by members of the crew. Of the passengers, 944 were British, of whom 984 perished; 159 were Americans, of whom 124 perished; the remainder were of 17 different nationalities, of whom 77 perished. The total number saved was 472. The conduct of passengers throughout was praiseworthy. The cargo was a general cargo of the ordinary kind, but part of it consisted of 5,000 cases of cartridges, which were entered on the manifest. They were stowed well for-

ward on the ship about 50 yards from where the torpedo struck. There were no other explosives on board ship. The German Government has asserted that the Lusitania was equipped with masked guns, that she was supplied with trained gunners and special ammunition, that she was transporting Canadian troops, or that she was violating the laws of the United States. These statements are baseless inventions. She had no guns, nor trained gunners, nor special ammunition, nor was she transporting troops, nor violating any law of the United States. As to the warning of passengers before she sailed which in some quarters is held as some sort of excuse for their subsequent murder, it only makes it clear that the intention to commit the crime and the planning of it took place before the ship sailed.

The Cunard Company had decided shortly after the war started that in spite of the diminution of traffic, it would be justified in running one big ship a month, if the boiler power were reduced by one-fourth. Accordingly the Lusitania's boilers were closed and the ship began to run under these conditions from November, 1914. The effect was to reduce speed from 24½ to 21 knots, but she was still the fastest trans-atlantic ship and in the Court's opinion the reduction of the ship's speed was of no significance and was proper in the circumstances.

The attack of the submarine was murderous because made with deliberate and wholly unjustifiable intention of killing the people on board. The German authorities on laws established themselves, beyond all doubt, that although in some cases the destruction of an enemy trader may be permissible, there is always the obligation first to secure the lives of those on board.

The Court held that there was no explosion of any part of the cargo. The case was held partly in camera, because the Attorney General did not wish to be published the advice given by the Admiralty to protect vessels from submarines, and to protect the Lusitania on this occasion in particular. It is impossible, therefore, to discuss the report in detail, but was made abundantly plain that the Admiralty had devoted most anxious care and thought to questions arising from the submarine peril, and that they had diligently collected all the available information bearing on this particular voyage. The whole blame for the cruel destruction of life rests solely with those who plotted and committed the crime.

London, July 18th, 1915.

Following are items of news during week ending July 17th:—

Details are now published concerning the War Loan and the financial situation created thereby. It should not be forgotten that the British Government provides money against financial obligations in advance of the date money is needed. Thus the whole course of the war for the first twelve months, amounting to about £750,000,000 has been already met or provided for. The Government is now engaged in making preparations to pay the greater part of next year's estimated expenditure by means of the great war loan. It is eminently satisfactory that the enormous sum of £585,000,000 has been already raised by the loan when it is considered that the loan of last November amounted to £350,000,000 and £250,000,000 of Treasury bills have been placed.

Clear testimony to the unanimity of the country's support in the prosecution of the war is the support given by various trades unions. The total has been reached by normal transactions of the money market. In addition to the amount already received will be added the proceeds of Post Office subscriptions. This may amount to a very large sum, when it is considered that in five days £9,000,000 were subscribed through the Post Office after the closing of the loan for large sums.

Many firms are founding schemes for the encouragement of national thrift among employees. The news comes that the Australian Government are floating a £20,000,000 war loan in the local market at 4½ per cent., which can only contribute to enhance existing securities in London.

It is interesting to compare the statistics of German war loans as given in German papers. The first being a five-year loan at 5 per cent. was issued in September, 1914, and raised £223,000,000. The second was issued in February to March, 1915, for ten years at 5 per cent. and reached £452,000,000.

The Cunard steamer "Orduna," when on her voyage to New York states that she was attacked by a German submarine at 6 a.m. on the morning of July 9th, 37 miles south of Queenstown. A torpedo was fired but missed, in the opinion owing to misjudgment of the Cunarder's speed. Six shells were then fired, none taking effect. No warning was given to passengers and nearly all were asleep. Thus another case of brutal murder almost occurred. The "Orduna" carried 227 passengers, including many neutrals and women and children.

The regulations for national registration involve the filling up by August 15th of a form circulated to everyone. The last column of the form asks "Are you skilled in any work other than that you do now and if so what, and are you able or willing to undertake such work?"

Mr. Asquith speaking in the House of Commons on July 13th said: "I ask the House to testify the admiration and gratitude of the whole Empire first to the illustrious General who is also the Prime Minister of the South African Union, and who has rendered such inestimable service to the Empire which he entered by adoption, and of which he has become one of the most honoured and cherished sons, and secondly to his dauntless and much enduring troops who, whether of burgher or of British blood, fought like brethren side by side in the cause equally dear to us all, for the broadening of the bounds of human liberty."

London, July 21st, 1915.

Following is a summary of Russian official communiqués of July 18th to 20th:—The battle between the Vistula and the Western Bug attained extreme intensity from July 17th. Our troops are repulsing enemy's onset with valour and tenacity. Near Lublin enemy delivered attacks on whole front, chiefly in Wilkolaz district, where in course of July 18th we repulsed more than ten attacks. Great masses of Germans attacked us on July 18th on the left bank of the Wieprz and the enemy succeeded in making progress northward in the Izdehno district, near Krasnostan. Notwithstanding losses they suffered, our troops heroically repulsed furious attacks which were continued until late in the evening. On the right bank of the Wieprz the enemy on July 16th suffered very great loss in the course of an attack on the river Wolica, where they left heaps of bodies before our trenches. Between Huczwa and the Bug we repulsed numerous enemy attacks and dislodged him from Metlin forest. On the Bug the enemy attempted to cross to the right bank, but was repulsed.

By July 20th the enemy was cautiously approaching our new positions and in the region of Sokal has extended slightly on the right bank of the Bug.

In the Riga-Shavli region the enemy's offensive is continued and here large bodies of cavalry as well as infantry are engaged. East of Popeliani we captured 500 prisoners with 9 officers and 7 machine guns. German attack north of Shavli was repulsed.

In the region beyond the Niemen the enemy succeeded in occupying some trenches which we had retaken the day before.

On the Narew front the enemy's offensive in the direction of Przasnysz forced us to concentrate our positions nearer the Narew and this involved regrouping of our forces to the left of the Vistula, which we are carrying out without molestation. Siege artillery from the fortress of Novo-Georgiewsk bombarded successfully the head of the enemy's column on July 19th.

On the Dniester we gained an important success against the enemy's troops across the river, capturing, after stubborn fighting, 2,500 Austrian prisoners and 12 machine guns.

London, July 22nd, 1915.

Admiralty announce that during the week ended July 21st, 1,326 vessels entered and sailed from British ports. None were sunk by submarines.

London, July 22nd, 1915.

Sir Ian Hamilton reports, July 22nd, as follows:—In northern section of operations a raiding party rushed a trench in front of our line during the night of July 18th. All the enemy fled except one, who was killed. On the 19th an anti-aircraft gun was located and hit with the second round by one of our guns, and blown into the air by the fifth round.

In the southern area the Turks on the 18th made an attack on some newly captured trenches in the French section, but were easily repulsed. Steady progress continues in the British section, where we are daily consolidating and in some cases extending trenches won on 12th and 13th. Yesterday (21st) a small redoubt was captured with insignificant loss and a successful attack was made on part of a communication trench held by the enemy. A Turkish machine gun opposite our left was knocked out by French artillery. In both sections enemy's artillery has been active.

London, July 22nd, 1915.

Widespread interest has been taken in the 85th anniversary of Belgian independence on July 21st. In the presence of Cardinal Bourne and a congregation of many thousands at Westminster Cathedral, Monsignor de Wachter, Auxiliary Bishop to Cardinal Mercier, sang a solemn Pontifical mass, and the Belgian Military Chaplain delivered a sermon, speaking of Belgium grasping the hand of loyal England, the cradle of liberty in Europe. Later in the day the Belgian Minister in London, addressing the Belgian Colony, said that for more than 85 years they had been a self-governing nation with liberal institutions unsurpassed in the world. Their youth had been decimated, their fields drenched with blood, their towns burned, their cathedrals and belfries, the symbols of their pride and hope, destroyed by shell and fire. It was to defend their national culture they went to war. To preserve it they persisted in the struggle.

The same evening a gigantic meeting of English socialists, under the presidency of Mr. Hodge, acting chairman of the Labour Party, assisted by prominent Belgian, French and English socialists, was held. In the course of his speech, the Chairman said that German culture had devastated Belgium, murdered old men, women and children and outraged nuns. It had bombarded peaceful Scarborough and Whitby, had sunk the defenceless "Lusitania" and sunk and shot unarmed fishermen. The defenceless state of our country was a proof of our peaceful intentions, but thank God we had the British navy. He did not believe that socialism meant belief in every country except one's own. We enjoyed civil and religious liberty that had been won by hardship, imprisonment and death itself, and there was no sacrifice of blood or money we would not make in order to crush the bully of Europe. Mr. Roberts, M.P., moved a vote of thanks to the soldiers and sailors and to the soldiers of industry who had rallied to the defence of liberty and democratic Government in Europe, and assured the Allies of English socialists' unflinching support. Mr. Ben Tillet said this meeting of socialists could only be held because England was the most democratic and free country in the world.

Mr. Bonar Law, speaking in the House of Commons upon the Colonial Office Vote, said that in the Colonies also it was clear that Germany had long been preparing the war. Whatever might be the case regarding munitions, we had the superiority in men. The rally of the unofficial element in various colonies had been wonderful. In the case of the Togoland Expedition 95 per cent. volunteered. The natives had been loyal everywhere, which shows that our colonial administration, despite its critics, had been sound and appreciated by the natives. In the course of the same debate it was announced that the presence of Sir R. Borden at the Cabinet Meeting was not an isolated phenomenon, but part of the trend of events.