

Mailman's Brazilian Review

A JOURNAL OF TRADE AND FINANCE

PUBLISHED WEEKLY TO CATCH BRITISH MAILS.

VOL. 3

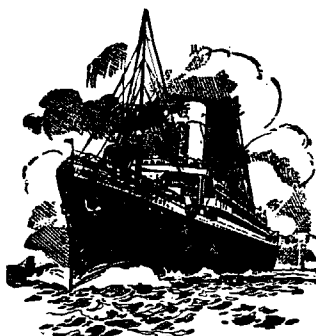
RIO DE JANEIRO, TUESDAY, February 15th, 1916

N. 7

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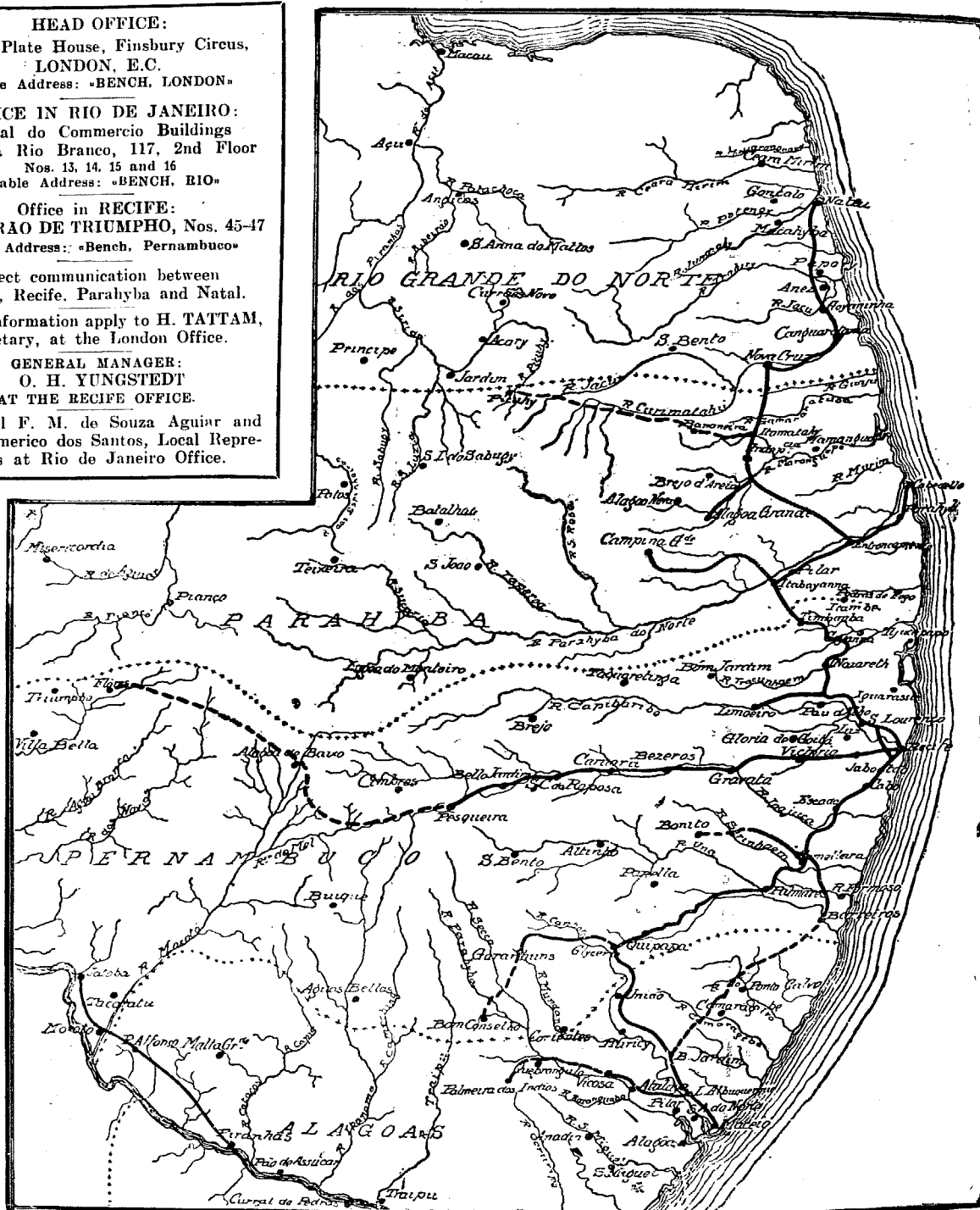
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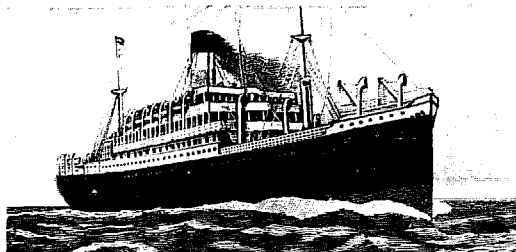
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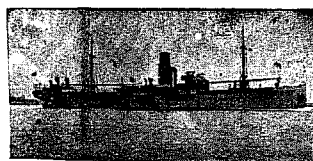
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Wileman's Brazilian Review

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VOL 3

RIO DE JANEIRO, TUESDAY, February 15th, 1916

No. 7

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MAIL FIXTURES**FOR EUROPE.**

- Feb. 18.—GARONNA, Sud-Atlantique, for Bordeaux.
 „ 23.—ZEELANDIA, Holland Lloyd, for Amsterdam.
 Mar. 1.—AMAZON, Royal Mail, for Liverpool.
 „ 1.—DESEADO, Royal Mail, for Liverpool.
 „ 10.—VICTORIA, P.S.N.C., for Liverpool.

FOR RIVER PLATE AND PACIFIC.

- Feb. 16.—DESEADO, Royal Mail, for River Plate.
 „ 17.—ORITA, P.S.N.C., for River Plate and Pacific.
 „ 22.—FLANDRE, Sud-Atlantique, for River Plate
 „ 22.—VAUBAN, Lamport and Holt, for River Plate.

FOR THE UNITED STATES.

- Feb. 22.—VESTRIS, Lamport and Holt, for New York

NOTICE TO BRITISH SUBJECTS.**NEW PASSPORT REGULATIONS.**

All British passports issued prior to the 5th of August, 1914, became invalid on the 1st of August, 1915. Holders of such passports should apply at their convenience for fresh passports from this office.

With regard to passports issued between the 5th of August, 1914, and 28th of February, 1915, it has been decided that they may be regarded as valid for 2 years from the date of issue and holders of any such passports should present them to this office for endorsement to that effect.

Wife and children under 16 years of age may be included on the holder's passport.

Under the new regulations, passports must bear the photograph of the holder, and of the wife, if included in the passport.

Photographs must be supplied in duplicate to this office by applicants for passports.

British Consulate General, 30th August, 1915.

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A comfortably furnished House at Copacabana, close to the beach. Apply by letter to Caixa 1521, Rio de Janeiro.

REGISTRATION OF BRITISH PROPERTY IN ENEMY COUNTRIES.

While returns of enemy property held in Britain are compulsory under the provisions of the Trading Amendment Act, of 1914, returns of British property in enemy countries and territories in enemy occupation are voluntary.

The facilities offered by the Foreign Claims Office to British subjects resident within the United Kingdom are now extended to British claimants residing in neutral and Allied countries, who can now take advantage of the Public Trustee Office to record their claims against enemy subjects and firms in respect of property, debts or bank balances held by the latter.

The object of the Public Trustee in asking creditors of enemy firms or persons to make these returns is merely to make a record which, if comprehensively completed, will be of great assistance to the Government in estimating the relative positions of this country and its enemies with regard to indebtedness of all kinds.

It is well to observe the exact meaning of "enemy" in this connection: An enemy is a person of whatever nationality residing or carrying on business in enemy territory. A British subject, therefore, who resides or carries on business in enemy territory is for the present purposes to be considered an enemy, while a person of German, Austrian, Turkish or Bulgarian nationality residing in British territory is not an enemy from this point of view.

The returns should include personal luggage left behind in enemy countries by British subjects when travelling home before or after the outbreak of war, care being taken to show whether the luggage was given into the charge of someone (a railway official or hotel keeper for example) or was detained against the will of any traveller.

The different forms and notices issued by the Public Trustee's Department can be seen at the British Consulate.

—Arrangements have been made by His Majesty's Government whereby, until March 1st, documents accompanying goods destined for Switzerland and consigned to the Société Suisse de Surveillance will be considered in order, provided that a declaration that the goods are consigned to that Society be made before shipment and referred to on the bill of lading and that the Society's acceptance certificates, which will be obtained by the ultimate consignee during the voyage, are produced at the port of disembarkation.

NOTES

Bound Volumes of "Wileman's Brazilian Review," No. 1, January-June, and No. 2, July-December, 1915, with their respective indices, can be now ordered.

Trading with the Enemy. We have said our say on this subject and do not propose to return to it nor to reply to the foolish anonymous insinuations.

The Araraquara Railway. The price paid to the liquidators of this insolvent concern is stated to be Rs. 4,000,000\$. The S. Paulo Railway Co., a company specially organised in the United States to take over and work the line, assumes all responsibility for the obligations of the Araraquara Railway Co. and reimbursement of preferential obligations; ordinary creditors receiving 1 per cent. of their credits in shares of 200\$.

This operation is interesting because it is the first direct operation of the kind effected in this country with purely American capital. Some previous ventures, in which American capital was

jointly interested, have not proved very successful, the biggest of them all—the Brazil Railway—being, in fact, in liquidation.

Others, like the S. Paulo Tramway, have, on the other hand, been so successful as to have given a distinct stimulus to investment of foreign capital in this country that, unfortunately, was overdone.

There seems no reason, however, why this new departure should not be as successful as railway enterprise in the State of S. Paulo has generally proved, if only the pitfalls that wrecked the Brazil Railway and such like undertakings can be avoided and the precedents of the S. Paulo Tramway be followed.

The Araraquara Railway will, when completed, traverse perhaps the most promising coffee area in course of development. It is, moreover, capable of almost indefinite development beyond the borders of S. Paulo, but whether the grazing hinterland would prove as good a provider as the coffee area may be questioned.

The initial success of the S. Paulo Tramway was due to the importation of capital at minimum rates of exchange and subsequent appreciation of the currency in which its revenues are payable. Now history is being repeated and exchanges have for some time been dropping, but in the impossibility of determining whether the limit has been already reached or a further fall is in prospect, the prudent course for employers of foreign capital would be to import it as gradually as possible, accompanying the course of exchange and thus secure the lowest average practicable.

There is no foreseeing how exchanges may go in the actual abnormal state of affairs. Judging from heavy foreign trade balances, exchange ought to go up and if it does not it can only be in consequence of foreign capital being drained out of the country by the war. To this, however, there must some day be a limit, when the tendency of exchange should be to improve, unless counteracted by other adverse factors, such as renewal of specie payments on the foreign debt in 1917.

The position is too vague and indefinite to warrant positive conclusions. Unless the finances of the country are grossly mismanaged and further issues of paper money are indulged in, there seems good reason to expect a reaction as soon as the drain of foreign capital ceases, when any capital imported at low exchange rates would get the advantage of improvement in the purchasing power of the currency, just as the S. Paulo Tramway did between 1898 and 1914 when, after dropping to 5½d., exchanges reacted until in 1914 they were steady at 15d. to 16d. per milreis.

It may be pointed out in this connection that the aim of American capital employed in this country and especially in S. Paulo, should be to work in harmony with the English lines, already in possession of the main lines of communication, rather than disparage their management, as the tendency seems to be in the United States, judging from comments in the American press.

With very few exceptions, British railways in this country have been admirably managed, if perhaps in too conservative and narrow a spirit. The disastrous experience of the crazy expansionism of the Brazil Railway group, under American inspiration, will serve unfortunately, to confirm British prejudices and caution, but, at the same time, should serve as a warning to fresh American capital against too sanguine expectations of its ability to imitate in this country the methods of railway expansion so successful in the United States. We here are all interested in the introduction of fresh capital, whatever its origin, but to be advantageous to one side or the other, the only guarantee of its continuing, the basis for new flotations should be solid.

Effect of Dollar Exchange on Imports of Coffee. The present situation in the foreign exchange market combines with developments in the international coffee trade to make the following, which consists of excerpts from a recent address by Vice President W. S. Kies, of the National City Bank of New York, with additions by Joseph T. Cosby, manager of the bank's foreign department, of importance to United States importers of coffee:

The United States leads all other countries of the world as a market for coffee, nearly one-half of the total world-product being consumed here. When this consumption is reduced to a percentage basis, and also when reduced to dollars and cents, the resulting figures clearly evidence the importance of the coffee trade of this country.

The total production of coffee over the world in the year from July 1, 1914, to June 30, 1915, was 17,886,000 bags, say 2,360,952,000 pounds. Of this total production 8,174,130 bags, say 1,078,985,160 pounds, according to statistics of the New York Coffee Exchange, were received in the United States. This represents 45.7 per cent. of the total world production for the year ending June 30, 1915.

During this same period Brazil produced 12,867,000 pounds. Brazil's proportion of the total production of the world was, therefore, 71.93 per cent.; and of this production we received 5,840,994 bags, say 771,011,208 pounds, representing 45.4 per cent. of Brazil's total production; 71.45 per cent. of the total number of bags which we imported during the year came from Brazil.

Measured in terms of dollars and cents, our total imports of coffee last year from all sources amounted to \$106,765,444.

In quoting the foregoing figures the object has been to establish and emphasise especially the importance of coffee in our foreign commerce, particularly with reference to Brazil. Our total foreign trade with the years ending June 30, 1914 and June 30, 1915, are hereunder quoted:

1914—Imports	\$101,329,073
Exports	29,063,914
1915—Imports	99,178,728
Exports	25,629,555

An analysis of these figures will show that our imports from Brazil exceed our exports to that country by from 200 to 300 per cent. As a result of this excess in imports, the balance of trade against us in favour of Brazil runs into important figures annually, corresponding closely to the value of our coffee imports from that country. If these heavy imports of coffee from Brazil were eliminated from the trade figures, our imports from and exports to Brazil would just about balance.

The settlement of this unfavourable balance of trade has heretofore been effected through indirect channels, principally through London, and this has resulted in a direct economic loss to us through the payment of commission and interest and in exchange conversions.

The value of our coffee imports from Brazil ranges between \$65,000,000 and \$85,000,000 annually, the amount varying with the prices, which are subject to rather wide fluctuations from year to year.

Under anti-bellum conditions the importation of coffee from Brazil was financed almost exclusively through London by means of sterling credits, the business being based on sterling reimbursement, not dollars, although the coffees were quoted in terms of United States currency per pound and shipped direct to United States ports. In evidence of this established custom, it is only necessary to refer to the method of contracting and invoicing Brazilian coffees. Practically all contracts covering coffees from Brazil destined to the United States carried a clause reading: "Invoice to be made at 132 pounds per bag and the £ sterling to be calculated at \$4.86." Another clause of the contract reads: "Buyers to furnish confirmed letter of credit on approved London banking house."

With the outbreak of the European war, however, conditions changed abruptly with respect to the form of reimbursement required. The customary channels for the transfer of credits were suspended completely, and the rate in New York for £ sterling rose to \$5 and even higher. Under those conditions the American coffee importer was not only willing but anxious to finance his importations by means of dollar credits and dollars only. This brought about the first general use of dollar credits in financing our foreign transactions, for as a result of the abnormal conditions prevailing during the first months of the war, a large proportion of our coffee imports were financed by means of dollars.

After the beginning of this year, however, conditions changed again. London credits were procurable, and the rate in New York for £ sterling, instead of remaining at the high premium prevailing during the first months of the year, suffered a continuous decline, until it was quoted at a discount of about 5 per cent. This discount on £ sterling and the resulting premium on the dollar operated to stimulate and increase the use of dollar credits in financing practically all commodities which we import with the exception of coffee.

In the case of coffee, these conditions had an adverse effect as far as stimulating the use of dollars was concerned, and the decline in the value of the £ sterling had rather a tendency to re-establish and create a demand for sterling credits. This was owing largely to long-established customs in the Brazilian coffee markets and the practice in vogue of converting the value of invoices destined for American consumption from United States currency to £ sterling at the arbitrary rate of \$4.86 already mentioned as appearing in the contract. There was also a speculative side to the transactions, largely responsible for a more extensive use of sterling credits than dollar credits in covering coffee purchases.

Under normal exchange conditions, with sterling in New York quoted at \$4.86 a 4.87, and with adequate American banking facilities in Brazil now at the disposal of our importers, it is reasonable to suppose that they would use dollar credits in their operations, as the arbitrary conversion of invoice values at \$4.86 would offer no attraction or advantage, either speculative or otherwise. With sterling in New York, however, selling at say \$4.70 and the invoice value of coffee for American use converted at the arbitrary rate of \$4.86 there appears to be an advantage in favour of the importer through the use of sterling credits of about $3\frac{1}{2}$ per cent., or, say, the difference between the fixed rate of \$4.86 and the actual rate quoted in New York of \$4.65. This apparent advantage, however, is more illusory than real, for most exporters in Brazil (sic) now quote higher prices for coffees sold on the basis of sterling credits than for coffees sold on the basis of dollar reimbursement, the difference in price on a given transaction representing more or less the difference between sterling at the arbitrary rate of \$4.86 used in invoicing and the actual market rate for sterling in New York. Therefore, if the speculative factor represented by the sterling rate in New York is eliminated from the operation, the sterling credit offers but little, if any, actual advantage over the dollar credit.

A lower initial cost in the form of commission is assessed for dollar credits than for sterling credits, the difference in favour of dollars amounting to about $\frac{1}{2}$ per cent. per annum. The discount rate for prime bills in New York is now much lower than the London discount rate, and this is a factor of considerable importance in favour of the dollar credit. A broad and active market for dollar drafts on New York has been developed in Brazil, and the 90-day bill on New York, when converted to milreis, will command a price equally as good, if not better, than a 90-day bill on London. Dollars are now on a parity with sterling in Brazil, and rise and fall in sympathy with the sterling quotations in New York, the former disparity against the dollar having disappeared completely. Those factors all favour the use of dollars, and our coffee importers should strive to designate the dollar whenever possible as the medium for financing their importations. Too much stress cannot be laid on the value, from an economic viewpoint, of fixing the dollar as the basis of value in our foreign purchases. It should be borne in mind that every bill negotiated abroad under dollar credits, in addition to the transfer of credits which it evidences, has an economic value which is of direct interest to our foreign trade. Apart from the interest and commission which accrues on such bills, and which is added to our own wealth instead of going to foreign money centres, as is the case of bills drawn under sterling and other forms of credits, a potential purchasing power of importance is represented by those bills. When we liquidate our purchases in foreign countries through indirect channels, as we have been accustomed to doing in the case of our Brazilian coffee purchases, instead of effecting a direct settlement, the pulling power which is attached to every bill of exchange drawn in settlement of international obligations is lost to us and diverts to and benefits the country upon which the bill is drawn.

[Note of Ed. of W.B.R.—So long as the war lasts and money is cheaper at New York than in London, the advantage will be on the side of dollar credits. Otherwise, the advantage should always be in favour of sterling credits so long as the balance of trade with Brazil is against the States and favours London.]

German Double Dealing. To throw the odium of the stoppage of trade between Germany and this country on Great Britain, Germans have been active in getting up protests, that never come to anything, against the high-handed proceeding of Britain, when, as the following extract from an American paper shows, the objection to export comes wholly from her side!

"Absolutely no progress has been made in the direction of obtaining supplies of dyestuffs from Germany. The matter rests precisely where it did several months ago and there is nothing to indicate a favourable solution of the difficulties at present. Germany insists that she will not release dyes unless the United States will furnish her with an equivalent amount of cotton or foodstuffs, both of which Great Britain regards as contraband and which she has refused to pass through to Germany.

"Germany knows that the United States has not sufficient dyes to meet the requirements of manufacturers here and realises that the longer supplies are withheld the more serious will the shortage become. She feels she has a club she can use to force this country to make demands of Great Britain which Great Britain cannot grant. Naturally, if the supply of dyes which she can ship us is small, she will take every precaution that knowledge of this shall not reach the United States. That this is Germany's position is indicated by her refusal to release dyes for export, except under the conditions described above, when Great Britain agreed to allow their shipment to this country. Normally Germany would have been eager to avail herself of this opportunity to aid her manufacturers, who are unquestionably the losers under the existing policy."

What has happened to dyes is happening to other lines and, only lately, when, after vast expenditure of time and patience, leave was at last obtained to export certain German goods to this country that were supposed to be lying at Hamburg since the outbreak of war, it was found that these goods had been sold by the agents of the importing firm and there was nothing to export, the aforesaid German agent pocketing the difference!

Tableau!

The Monroe Doctrine and Pan-Americanism. Nothing could have so powerfully promoted political association amongst the nations of America as the European war, as nothing might be excepted to better impress South American countries of the advantage of friendly relations with Gt. Britain, the country that converted that platonic declaration into an active and vivid principle. Without the British Navy behind it the Monroe Doctrine would have long ceased to be worth the paper it was written on.

For years Germany has been pursuing a policy in this country that was a menace to the territorial integrity of Brazil. The Pan-American policy would, says the New York "Journal of Commerce," be a distinct warning against that. If it had to be resisted under such a bond of agreement, as is proposed, a heavy responsibility would be assured to the United States.

That is one reason why the temper of Germany is to be deprecated and why friendly relations with Great Britain should be maintained and strengthened, as her sympathy may be assured as completely as in the original Monroe Doctrine and its purpose and be of even more consequence.

Yet, blind to their own interests, Brazilians are not wanting who would welcome the victory of Germany and the defeat of the only Power whose Navy could stand between Brazil and German conquest! In the course of this desperate war, some neutral rights may have been offended. But what are they compared with the rights that Brazil would be called on to sacrifice if Germany triumphed? Britain stands for liberty and, if she falls, liberty the world over falls too.

MONEY

Closing Rates (from the "Jornal do Commercio") :—

90 days' Bank Commercial Sovs.

Saturday, 5th February	11½	11 5-8	21\$000
Monday, 7th February	11 17-32	11 19-32	21\$100
Tuesday, 8th February	11 5-8	11 23-32	21\$000
Wednesday, 9th February	11 25-32	11 7-8	20\$900
Thursday, 10th February	11 13-16	11 29-32	20\$900
Friday, 11th February	11 11-16	11½	21\$000
Saturday, 12th February	11 23-32	11 13-16	21\$000

Gold in the Caixa de Conversão on 12th February amounted to £5,015,397, no alteration since previous Saturday.

Ninety days' dollar rates on New York were as follows:—
Feb. 6th, 4\$460; 7th, 4\$450; 8th, 4\$440; 9th, 4\$400; 10th, 4\$380;
11th, 4\$340; 12th, 4\$370.

Monday, February 7th. Banks opened at 11¼d., except the "City" at 11 9-16d.; in the course of the day that bank quoted rates rising from 11½d. to 11 11-16d. Business was practically stopped and few bills were offered at 11 5-8d. without finding takers.

Tuesday, February 8th. The City Bank opened at 11 18-32d., Ultramarino at 11 9-16d. and others at 11 17-32d., closing at same rates, with few bills offering at 11 5-8d.

Wednesday, February 9th. The City Bank opened at 11 21-32, Ultramarino at 11 5-8d. and others at 11 9-16d., with few bills offered at 11 11-16d. The City and Ultramarino then raised their rates to 11 23-32d. and 11 ¼d. and both closed at 11 25-32d., others remaining at 11 5-8d. Some especulative paper was offered at 11 13-16d.

Thursday, February 10th. The City Bank opened at 11 25-32d, Ultramarino at 11 1/4d. and others at 11 11-16d., the two former raising their drawing rate to 11 13-16d. and by mid-day were quoting 11 31-32d. but retired half an hour after to 11 29-32d. and 11 7-8d.; by 2 p.m. the City Bank was quoting 11 15-16d. again and other banks 11 5-8d.

Speculative bills were reported to have been sold as high as 12 1-32d., but trade bills were scarce.

Friday, February 11th. The City Bank opened at 11¼d. and others at 11 11-16d. The City Bank retired soon after to 11 11-16d. and the Ultramarino raised its drawing rate to 11¼d. about mid-day and the City Bank to 11 23-32d., when some bills were offered at 11¼d., at which rate the Ultramarino bought the market, closing at 11 11-16d. all round, with takers of commercial at 11 25-32d. for bank paper and few bills at 11¼d.

Saturday, February 12th. The City Bank opened at 11 23-32d, Ultramarino at 11 11-16d. and other banks at 11 21-32d. No business doing, market closed at above rates.

For two weeks now the market has been at the mercy of two of the exchange banks, seemingly bent on getting the better one of the other.

The market was apparently overtaken and the opportunity seemed a good one to squeeze speculators and force holders of coffee bills to let go, whilst drawing as little as possible.

So far these manoeuvres would seem to have been successful, as at one time speculative paper was reported to have been sold as high as 12 1/32d., but as the bank rate had been pushed to

The annual amount required for interest and redemption on the Funding bonds will be £56,000. Principal and interest of the Funding bonds will be payable in London at the Commercial Bank of Spanish America, 9 Bishopsgate, E.C., or in Paris in francs at the fixed rate of Fcs.25.20 to the £. The funding scheme will include the coupon payable 1st May last and the subsequent half-yearly coupons up to and including that due on the 1st November, 1917. Bonds will be to bearer, in denominations of £10, £20 and £100, with coupons for interest at the rate of 5 per cent. per annum, payable half-yearly on the 1st January and 1st July.

11 15-16d. at which the demand was heavy, it was promptly dropped again and closed this evening at 11 23-32d. in the City Bank and 21-32d. in others. During the week the City Bank altered its rates 23 times, inclusive of seven times on Thursday alone.

The rise for the week from 11½d. to 11 23-32d. seems purely speculative and of no advantage whatever to the market at large unless it can be maintained, which seems questionable in view of the increasing dearth of coffee bills and scarcity of tonnage.

Freight rates for New York are going up by leaps and bounds, from 60 cents per bag they advanced to \$1.00, \$1.50 and \$2.00, and even \$2.50 is now spoken of.

The price of coffee is fortunately maintained in primary and consuming markets; but no rise of prices will create bills unless the coffee can be shipped, which as more and more steamers are requisitioned for allied services, is increasingly difficult.

Day by day more steamers are requisitioned and available tonnage is more restricted, until the position has to be faced that it is no longer the mere relation between supply and demand for the commodity on which the supply of bills depends, but on the supply of tonnage to move it.

Embarques were somewhat heavier this week, yielding £548,000, as against £204,000 for the week before. Rubber, too, was active at slightly improved prices and should be supplying a fair modicum of bills.

The balance of trade grows increasingly, but so apparently does the drain of capital, seeing that so far no gold returns on balance nor, we believe, will return until the war is over, if then. The amount of foreign capital invested in different kinds of business must be immense to entail so terrible and continuous a drain. Allies and Enemies alike are bent on remitting all they possibly can, whilst not a few Brazilians are imitating them under the belief that, with no end in view to issues of paper money, exchange is bound to fall again.

Apropos of issues, it would be interesting to know how the Rs. 50,000:000\$ loaned to the Bank of Brazil in aid of agriculture and industries has been applied. Some say it has been reloaned to the Treasury!

Pernambuco Customs Receipts, January, 1915-16:—

	1916	1915
Federal	864:492\$	615:385\$
State	991:400\$	513:880\$

REVENUE—RIO DE JANEIRO DISTRICT.

In contos of reis currency.				
	January	January	Incr.	
	1916	1915	1916	
Derived from Imports	4,461	3,844	617	
Deposits at Customs	332	166	166	
Inland dues collected at Customs	138	51	87	
Total per Customs	4,931	4,061	870	
Inland Rev. per Inld Rev. Office	3,170	2,261	909	
Total, Rio	8,101	6,322	1,679	

In contos of reis currency

	Customs	Inland	Total	Diff. 1914-15	%
January	4,931	3,170	8,101	+1,779	+26.1%

Of the total increase of 617 contos in Customs Revenue derived from imports, about 300 contos are due to the alteration in the tariff, raising gold "agio" from 35 to 40 per cent. and the higher rate for gold vales, which from the 13th of January was raised from 2\$250 (12d.) to 2\$403 (11½d.)

The Emergency Issue. Statement for 12th February:—

ASSETS.

Received from Caixa de Amortisação	150,000:000\$
Withdrawn and burnt	10,022:551\$
Loaned to banks	100,000:000\$
Interest deposited to cover expenses of issue	28:316\$
Interest due from banks	17:395\$

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

Cash	5,391:926\$
Treasury bills	76,473:400\$
Interest on same	187:028\$
Expenses of issue	491:273\$
	82,543:627\$
	342,611:889\$

LIABILITIES.

Emission authorised	250,000:000\$
10 per cent. of Customs receipts Rio and Santos ...	2,985:582\$
Amortisation of loans	85,901:802\$
Interest on loans	3,724:505\$
	342,611:889\$

Latest Quotations:—

	1916	1916	1915
	Feb. 12	Feb. 5	Feb. 12
4 per cent. 1889	46	45½	54
Funding, 1898, 5 per cent.	88½	87½	98
Funding, 1914	75	73	75
1910 4 per cent.	45	45½	53½
S Paulo, 1888	86	85	91½
Leopoldina stock	35½	35½	36½
S Paulo Railway Ordinary	180	179	190
Traction Ordinary	50%	51	51
Brazil Railway	8½	7½	7
Dumont Coffee Co.	8	8	8½
Gold vales	11½d.	12d	15d.
Treasury Bills, 11 to 13 per cent. discount.			

Movement of principal exchange banks, 31st January:—

IN CONTOS OF REIS.

	Deposits		Ratio of Cash		
	at Call	Cash	to Deposits	Disents	Loans
Banco do Brazil	70,639	30,314	42.9%	18,055	35,622
London & River Plate	15,560	7,872	55.9%	1,160	4,231
London & Brazilian	11,716	12,688	108.2%	1,324	6,969
British of S. America	15,199	15,837	104.1%	4,087	19,603
Brasilianische fur Dd.	10,284	7,501	72.9%	5,882	12,604
Banco Germanico	6,630	3,943	59.4%	1,846	6,630
Allemao Transatlantico ...	8,154	6,993	85.7%	1,171	5,663
National City Bank	11,820	3,555	30.0%	1,362	2,863
Total, 31st January, 1916...	150,002	88,703	59.1%	34,878	74,186
Total, 31st December, 1915...	130,378	87,435	67.1%	33,304	93,348
Total, 31st January, 1915 ...	170,362	87,017	58.8%	50,345	—
Total, 31st December, 1914...	150,645	90,851	60.3%	51,788	—

COFFEE

Rio de Janeiro, 12th February, 1916.

Entries at the two ports for the week ended 10th February were 32,133 bags under previous week's and 97,888 less than for corresponding week last year.

For the crop to February 10th, entries were 12,462,698, which, on the basis of 14,250,000 for the crop, would leave 1,787,000 still to come down and 2,538,000 on the basis of total entries to 30th June of 15,000,000.

Clearances at the two ports, on account of dearth of tonnage, were small, but for the crop to 10th February show 2,375,510 bags more than for the corresponding period last year and an increase in f.o.b. value of £2,721,756.

F.O.B. value per bag for the week was £2.246 as against £1.936 for previous week.

Stocks at the two ports on 10th February show a shrinkage of 107,567 bags, accounted for by an increase of 50,071 bags at Rio, but decrease at Santos of 157,638 bags.

Sales (declared) were larger and exceeded previous week's by 88,589 bags, but fell behind corresponding week's last year by 107,026 bags.

Of the total of 192,165 bags sailed, 22,780 went to the States, 45,951 to Scandinavia, 66,605 to France, 42,734 to rest of Europe, and Mediterranean, 8,300 to the Plate, etc. and 5,795 coastwise.

Embarques at the two ports were larger last week by 117,952 bags, and yielded £548,000 f.o.b., as against £204,000 for previous week.

Prices. At Rio prices were unaltered at 6\$060, 5\$788 and 5\$515 for Nos. 7, 8 and 9 respectively.

At Santos superior and good average improved 100 reis to 5\$600 and 3\$900 respectively.

At New York prices improved, closing at 7.67c. March, 6.68c. May and 7.86c. Sept., as against 7.47c., 7.50c. and 7.67c. the previous Thursday.

At Havre March and May options were stationary at 61f25 and 60f00, while Sept. dropped 1f00 to 59f00.

At London prices improved 3d. per cwt., closing at March 42s. and Sept. 42s. 9d.

Who pay freights, importers or exporters?

Evidently the party whose requirements are heavier. Should supply and demand for coffee, for example, be balanced, a rise of freights would possibly be halved. Should the supply of the commodity exceed the demand, not only might the whole of the freight be paid by the exporter, but, until equilibrium were re-established, primary prices suffer too.

If, on the contrary, demand exceeded supply, primary prices would rise and any increase of freights be unquestionably paid by the importer.

Both supply and demand are made up of "visible" factors, such as production and consumption, and "invisible" or more or less speculative elements, the latter being not unfrequently the determining factor of prices.

The expectation of next crop being small, apprehension of imposition of duties in the States and anxiety as to transport conditions are bull factors and combine at this moment to enhance the speculative demand for coffee in the States and explain why futures in that market should be rising in face of heavy stocks and rising freights.

On this side, the certainty that next crop will be smaller (perhaps only 12,000,000 as against 14,000,000 for Rio and Santos), the prospect of a lively demand in the States if duties should be enforced and in Germany and Austria when the war ends, combined with the assurance that S. Paulo is in a position to resist any financial pressure that may be put on her, are all bull factors that must be taken into account in striking a balance between possibilities.

Let us see how the rise in freights has so far affected the position:—

Jan. 5.—Freight 60c. and 5% quotn. near mos. options . 6.66c.
 .. 7.—Freight \$1.00 in full 36c.
 .. 7.—Advance in options 18c.

Quotations near months options 7.20c.

The rise in freights took the market by surprise and was apparently over-discounted by the advance in options; later on there was some readjustment and at present the situation is as follows:—

Jan. 5.—Freight 60c. and 5%, quotn. near mos. options ... 6.66c.
 Feb. 15.—Freight \$2.00 in full equal to 1.12c.
 .. —Advance in options 3c.

Quotations near months options 7.81c.

Meanwhile in the primary markets 7s lost 485 reis paper equivalent to 253 reis gold or 9 per cent., whilst Santos average was unaltered in paper and practically in gold likewise.

So far it is clear that the rise in freights has been paid by the importing market by advancing options *pari passu*.

There are said to be over 800,000 bags in 2nd hands with which exporters can deal as they will, but as regards future purchases at least, precautions should be taken to maintain prices in primary markets and so nip in the bud any attempt on the part of consuming markets to exploit the situation.

The demand for coffee is as lively as ever and with a small crop next season is likely to be liverlier when the war ends. The difficulty at present is to deliver it, which no concessions on our side as regards prices will remove unless adequate tonnage is forthcoming.

The course to be pursued is evident — to prevent a fall of prices by withdrawing coffee from the market until transport is normalised and the growing requirements of consuming markets can be satisfied. Never were prospects more brilliant for coffee and it depends exclusively on ourselves whether they materialise or are dissipated.

—Latest mail advices show that the speculative fever at New York is abating, checked by the rise in freights. The cotton group are said to be liquidating and no other so far has taken hold.

—There are no further references in New York paper to a duty on coffee, although they all admit that "preparedness" will necessarily entail great increase of all kinds of taxation, inclusive probably of coffee.

Re-Exports of Coffee by U.S. Ten months, January-October:

	Pounds	Bags
1914	11,875,593	89,966
1915	66,656,453	504,973

Dumont Coffee. In an interim statement, the directors of the Dumont Coffee Company announce that the yield for last year is estimated to reach 83,000 cwts., as compared with an actual output of 86,489 cwts. for 1913. The 53,014 cwts. sold up to date have realised an average price of only 49s. 9d. as compared with 58s. 6d. obtained for that part of the previous season's crop sold up to the same date last year and an average of 56s. 4d. for the whole of the 1913 crop. This serious decline is attributed to the disorganisation of the London market, following the Government's restrictions on the export of coffee. Against the decline of 6s. 9d. per cwt. in average price is to be set a decrease of 1s. 6d. per cwt. in the cost of production, owing for the most part to the lower exchange value of the milreis. A shrinkage in profits sufficient to prevent the payment of any dividend on the Ordinary shares would appear to be inevitable. Meanwhile, the appearance of the estate is reported to be on the whole satisfactory and the manager estimates the coming crop at 90,000 cwts.

—Messrs. Minford and Leuden's circular of January 7th says: Deliveries of all kinds of coffee in the United States in December were 817,534 bags, and the total for six months amounted to 4,552,075 bags, against 3,748,233 bags the year previous. It is probable that the increase in deliveries represents largely exports

to Europe. The embargo on further shipments from here to Scandinavian ports is still in force. Freight rates for Brazil shipments to the United States have advanced 40 cents per bag, and are now quoted at \$1; this is explained as owing to a scarcity of tonnage; who will pay this increased rate, whether the buyer or seller depends upon which is most anxious to trade. At the present time the country is much better supplied than usual. The visible supply of Brazil coffee for the United States is 406,074 bags larger than last year.

The New York "Journal of Commerce," of 8th Jan. says: Coffee futures were still active and higher on further participation of cotton houses on the long side of the market, which attracted some other outside orders. It was argued that as speculation in the commodity had been dormant at a time when everything else was being boomed. Wall Street might be inclined to shift its commitments for this reason. Stress was laid by the bulls upon the comparative cheapness of the article, attention being called statistically to the fact that two-thirds of the Brazil crop had already been marketed, so that pressure from that direction need not be feared. Higher freights and shortage of tonnage between this country and Brazil was again alluded to as warranting optimism, on the theory that supplies would be curtailed from now on. Last, but not least, it was suggested that peace would operate to advance coffee, though probably having the reverse effect on other markets, because Europe would hasten to replenish depleted stocks.

The market continued active and firm during the afternoon session with realising sales absorbed by the cotton houses, quite a number of whom seemed to have enlisted on the bull side. Closing prices were 18 to 24 points higher for the day, with sales of 68,250 bags.

But the bearishly disposed were sceptical of the rise being maintained. They pointed to past fiascos as warranting this assumption. Wall Street, they said, had been burned too often to indulge in coffee. Stocks in this country and afloat are 450,000 bags larger than a year ago, and the spot demand is quiet. High freights will bring shipping to take the place of the English vessels withdrawn by the Government, the situation following the war being cited. If tonnage is not available for Europe, the pressure upon the United States will be so much the greater. Crops are large and will accumulate at Rio and Santos, exerting a bad effect on prices there and sympathetically here.

The primary cause for higher figures, says the "American Grocer," was an advance of 40 cents per bag in ocean freight rates from Brazil to U.S. The advance was made without warning, for on Thursday morning the market in New York was devoid of activity with sales at first call of less than 5,000 bags. At final transaction sales amounted to 56,000 bags, with an advance of 26 to 29 points on opening prices. There was also covering by outside buyers and also for trade account, but later on transactions were less active and the market closed at an advance of 16 to 18 points above morning quotations.

The advance in prices on Thursday and Friday were 37 to 52 points above low figures of Wednesday, which showed that the advance had already more than covered the cost of 40 cents in freight rates. Spot prices, however, have not materially changed or kept pace with the advance in futures. Cost and freight offers for Santos 4s on Saturday were on basis of 9c. to 9.20c. and Rio 7s at 7.40c. to 7.50c. London credits.

As a wind up to a bullish market, says our contemporary, it was "enthusiastic" with no sign of decreased interest and the outside public more eager to operate than the regular coffee trade. Brazil has not yet caught the speculative fever, nor for that matter the regular trade in the American market, which is inclined to be conservative.

Appropos of the repeated requisitioning of steamers of a British coffee firm here, our contemporary enquires what would happen if ocean shipments between New York and Brazil were interrupted?

In less than three months there would be a coffee famine in U.S.A. if the Brazilian supply was cut off, as the whole stock in American ports is under 2,000,000 bags, seeing that it is the availability of the stock that determines prices. The war may end soon or it may last another year, when there would be more interruption to ocean shipments.

—On the same subject, Messrs. Aborn and Cushman remark in their last circular:—A quick shift in the market occurred on Thursday, options advancing over 20 points and the trade was face to face with a strong, active condition of affairs. The primary factor in this drive was the reported withdrawal of freight steamers engaged in the freighting of coffee between this country and Brazil. Most of the firm offers arriving early it was reported were either cancelled or withdrawn. For several days rumour had it that shipments of coffee to New Orleans had been suspended, owing to the inability to secure freight room to that port. A great scarcity of ocean freight room has been plainly evident in all the large ports of the country. Here in New York the scarcity of steamers has piled up long lines of freight trains, in and about New York, the terminals and freight sidings of all trunk lines showing the great congestion created by the absence of a sufficient number of steamers to handle the enormous amount of freight available. Coffee has been the one article seemingly immune from this condition of affairs, that such immunity could exist hardly was in the range of possibilities. The least inconvenience coffee can suffer from this cause is an advance in freight rates. It is not impossible, easily within the range of probabilities, that free access to liberal freight room may create a condition that will tend to support actively a higher basis for actual coffee. Some very interesting developments can henceforth occur along these lines in coffees and the market will bear the most careful watching. For the to-morrow may see a complete change in the basis of prices; coffee is low, consumption healthy; optimism certainly therefore has the right of way.

—In their circular of 14th January, Messrs. Minford and Lueden say: The spot demand was checked by jobbers advancing their prices $\frac{1}{2}$ c. a lb. The interior, being better supplied than usual, awaits developments. The cause of the advance was the rise of freight rates. There is a difference of opinion as to whether this is a bull or bear feature, some thinking that the effect in Brazil will be accumulation of stocks, which will result in the shipper bearing the expense of the increased freight. Offers from here show that prices have not advanced nearly as much as freight rates. The visible supply of Brazil coffees in U.S. is 451,782 bags larger than last year. C. and f. sales Santos was at 9c. to 9 $\frac{1}{2}$ c. The difference between London and New York credits has narrowed until to-day London credits are a little less than 2 per cent. cheaper than American.

The sharp advance in futures culminated on Monday, 10th January, showing 38 to 50 points advance. Since then prices have declined until to-day it is steady at from 1 to 3 points advance on last Friday's close.

The market is narrow and easily influenced by a preponderance of orders either way.

Coffee Statistics

ENTRIES.

IN BAGS OF 60 KILOS.

RIO	FOR THE WEEK ENDED			FOR THE CROP TO	
	Feb. 10 1916	Feb. 3 1916	Feb. 11 1916	Feb. 10 1916	Feb. 11 1916
Central and Leopoldina	69,423	47,864	91,102	2,148,434	1,625,290
Ry.....	1,341	1,642	2,470	72,943	31,115
Inland.....	3,600	1,743		95,106	32,669
Coastwise, discharged					
Total.....	74,364	49,506	95,572	2,316,482	1,689,074
Transferido from Rio to Niteroy.....	811	2,536	783	59,810	24,018
Net Entries at Rio.....	73,523	46,970	94,544	2,256,672	1,665,056
Niteroy from Rio & Leopoldina.....	4,067	12,005	12,923	264,243	214,846
Total Rio, including Niteroy & transit	77,590	58,975	107,467	2,520,915	1,879,902
Total Santos:	146,170	196,918	214,181	9,941,763	7,562,572
Total Rio & Santos:	223,760	255,893	321,648	12,462,678	9,442,474

The coast arrivals for the week ended February 10th, 1916, were from:—

The total entries by the different S. Paulo Railways for the Crop to February 10th 1916; were as follows

	Past January	Per Sorocabana and others	Total at S. Paulo	Total at Santos	Remaining at S. Paulo
1915/1916	8,139,012	1,621,894	9,760,906	9,941,753	—
1914/1915	6,965,719	1,201,543	7,567,262	7,562,872	—

FOREIGN STOCKS.

IN BAGS OF 60 KILOS.

	February 10/1916.	February 3 1916.	February 11/1915.
United States Ports ...	1,573,000	1,695,000	1,182,000
Havre.....	1,837,000	1,784,000	1,806,000
Both.....	3,410,000	3,479,000	2,988,000
Deliveries United States Visible Supply at United States ports.....	2,010,000	2,105,000	1,948,000

SALES OF COFFEE.

During the week ending February 10th, 1916.

	February 10 1916.	February 3 1916.	February 11/1915
Rio.....	49,288	19,469	67,068
Santos.....	117,870	58,600	206,616
Total.....	166,658	78,069	273,684

COFFEE LOADED (EMBARQUES).

IN BAGS OF 60 KILOS.

	DURING WEEK ENDED			FOR THE CROP TO	
	1916	1916	1915	1916	1915
	Feb. 10	Feb. 3	Feb. 11	Feb. 10	Feb. 11
Rio.....	35,064	33,565	78,814	2,199,160	1,641,215
Nietheroy.....	6,375	17,376	11,007	274,360	269,648
In transit.....	—	—	—	—	—
Total Rio including Nietheroy & transit.....	41,439	50,941	89,821	2,473,460	1,850,863
Santos.....	202,453	75,024	247,451	7,796,227	7,650,581
Rio & Santos.....	243,897	125,965	337,272	10,269,687	9,501,444

COFFEE SAILED.

During the week ending February 10th, 1916, were consigned to the following destinations:—

IN BAGS OF 60 KILOS.

PORTS	UNITED STATES	KUROPK & MEDITERRANEAN	COAST	RIVER PLATE	CAPE	OTHER PORTS	TOTAL FOR WEEK	CROP TO DATE
Rio.....	—	28,560	3,897	1,865	—	—	32,112	2,466,894
Santos.....	22,780	125,737	1,898	6,638	—	—	160,053	7,795,118
1915/1916..	22,780	155,287	5,795	8,303	—	—	192,165	10,261,952
1914/1915..	110,239	103,104	530	5,734	—	—	279,607	7,856,022

VALUE OF COFFEE CLEARED FOR FOREIGN PORTS.

During the week ending February 10th, 1916.

IN BAGS OF 60 KILOS.

	Feb. 10	Feb. 3	Feb. 10	Feb. 3	Crop to Feb. 10/1916
	Bags	Bags	£	£	Pars
Rio.....	28,215	44,961	57,109	91,423	2,293,568
Santos.....	168,155	121,878	361,542	236,565	7,730,877
Total 1915/1916..	196,370	166,839	418,651	327,988	10,024,445
do 1914/1915..	279,077	424,593	489,351	682,193	7,712,935

OUR OWN STOCK.

IN BAGS OF 60 KILOS.

RIO Stock on February 3rd, 1916	267,932
Entries during week ended February 10th, 1916.....	73,523
Loaded «Embarques», for the week Feb. 10th, 1916.....	341,455
STOCK IN RIO ON February 10th, 1916.....	35,064
Stock at Nietheroy and Porto da Madama on	
• February 3rd 1916	11,363
• Afloat on February 3rd, 1916.....	27,682
Entries at Nietheroy plus total embarques including transit.....	45,506
Deduct: embarques at Nietheroy, Porto da Madama and Vianna and sailings during the week February 10 h, 1915.....	84,561
STOCK IN NICTHEROY AND AFLOAT ON Feb. 10th, 1916.....	38,487
STOCK IN 1st and 2nd HANDS and THOSE AT NICTHEROY and AFLOAT ON February 10th, 1916....	46,064
SANTOS Stock on February 3rd, 1915.....	352,455
Entries for week ended February 10th, 1915..	2,566,870
Loaded (embarques) during same week.....	146,170
STOCK IN SANTOS ON February 10th, 1916.....	2,713,040
Stock in Rio and Santos on February 10th, 1916.	202,468
do do on February 3rd, 1916.	2,510,582
do do on February 11th, 1915.	2,863,037
	2,970,604
	2,114,933

COFFEE PRICE CURRENT.

During the week ending February 10th, 1916.

	Feb. 4	Feb. 5	Feb. 7	Feb. 8	Feb. 9	Feb. 10	Average
RIO—							
Market N. 6 10 kilos	—	—	—	6.124	6.128	6.196	—
• N. 7	6.262	6.264	6.196	6.196	6.196	6.264	6.203
• N. 8	6.061	6.060	5.992	5.992	5.992	6.060	5.999
• N. 9	5.788	5.788	5.719	5.719	5.719	5.788	5.717
SANTOS—							
Superior per 10 kilos...	5.500	5.500	5.500	5.600	5.600	5.600	5.500
Good Average.....	4.400	3.800	3.800	3.900	3.900	3.900	3.850
N. YORK, per lb.							
Spot N. 7 cent.	—	—	—	8 1/2	—	8 5/8	856
• N. 8	—	—	—	8 1/8	—	8 3/8	825
Options.....							
• Mar.....	754	752	753	756	746	767	754
• May.....	759	754	758	760	750	768	758
• Sept.....	778	773	779	778	769	786	777
HAVRE per 50 kilos							
Options..... franca							
• Mar.....	62.00	62.25	62.00	62.75	61.50	61.25	61.95
• May.....	60.75	60.75	—	62.00	60.75	60.00	60.85
• Sept.....	59.50	60.00	59.50	59.50	58.75	59.00	59.37
HAMBURG per 1/2 kilos							
Otipons..... pfennig							
• Mar.....	—	—	—	—	—	—	—
• May.....	—	—	—	—	—	—	—
• Sept.....	—	—	—	—	—	—	—
LONDON cwt							
Options..... shillings							
• Mar.....	42	42	42/6	42/8	41/8	42/8	42/1
• May.....	—	—	—	—	—	—	—
• Sept.....	42/6	42/6	43/—	42/8	42/6	42/—	42/8

MANIFESTS OF COFFEE.

RIO DE JANEIRO.

During the week ending February 10th, 1916.

—OSCAR FREDRICK—Stockholm.	Jessouroun Irmaos ..	4,080
Ditto ..	Pinto & Co	8,700
Ditto ..	McKinley & Co	2,750
Ditto ..	Castro Silva & Co	1,000
Ditto ..	Hard, Rand & Co	500
Ditto ..	Norton Megaw & Co ..	250
Ditto—Gothemburg	Norton Megaw & Co ..	2,750

Ditto—	Hard Rand & Co	1,000	
Ditto—	Dias Garcia & Co	500	
Ditto—	Jessouroun Irmaos	375	
Ditto—Sundswall	McKinley & Co	1,000	
Ditto—	Hard Rand & Co	1,000	
Ditto—Halmstead	M. da Costa Almeida	1,000	
Ditto—Gefle	Dias Garcia & Co	1,000	
Ditto—Norkoping	Hard Rand & Co	250	
Ditto—Christiania	Norton Megaw & Co	125	26,200
—DEMERARA—Liverpool	McKinley & Co	—	250
6—P. INGEBORG—B. Aires	Ornstein & Co	600	
Ditto—	Sequeira & Co	150	
Ditto—	Castro Silva & Co	100	
Ditto—	McKinley & Co	100	
Ditto—	Eugen Urban & Co	64	
Ditto—	Theodor Wille & Co	51	
Ditto—	Stolle Emerson & Co	50	
Ditto—Montevideo	Ornstein & Co	150	
Ditto—	Sequeira & Co	100	
Ditto—	McKinley & Co	50	1,415
10—SAMARA—Bordeaux	Pinto & Co	250	
Ditto—Leixões	J. Pinto Branco	100	350
	Total overseas	—	28,215

COASTWISE.

—ITACALOMY—Porto Alegre	McKinley & Co	380	
Ditto—Pelotas	Stolle Emerson & Co	60	
Ditto—	Sequeira & Co	50	
Ditto—	M. Wright & Co	50	540
—ITAIPAVA—Rio Grande	Theodor Wille & Co	200	
Ditto—Pelotas	Theodor Wille & Co	50	250
—ITAJUBA—Porto Alegre	Castro Silva & Co	250	
Ditto—	Sequeira & Co	70	
Ditto—Pelotas	Sequeira & Co	155	
Ditto—	Ornstein & Co	100	
Ditto—	Stolle Emerson & Co	50	625
—ACRE—Pará	Ornstein & Co	592	
Ditto—	Eugen Urban & Co	480	
Ditto—	Theodor Wille & Co	275	1,347
—ITAPUCA—Maceio	Sequeira & Co	—	110
10—MARANHÃO—Maranhao	Theodor Wille & Co	555	
Ditto—	Eugen Urban & Co	200	
Ditto—	Ornstein & Co	45	
Ditto—Mauós	Eugen Urban & Co	110	
Ditto—	Theodor Wille & Co	10	
Ditto—Partinicus	Theodor Wille & Co	40	
Ditto—	Ornstein & Co	20	
Ditto—Pará	Eugen Urban & Co	30	
Ditto—Itacoatiara	Theodor Wille & Co	15	1,025
	Total coastwise	—	3,897

SANTOS

During the week ending February 10th, 1916.

—TUDOR PRINCE—B. Aires	Stolle Emerson & Co	—	434
—ACRE—New York	Levy & Co	2,000	
Ditto—	Picone & Co	2,000	
Ditto—	M. Wright & Co	2,000	
Ditto—	Cia. Prado Chaves	1,500	
Ditto—	Raphael Sampaio & C.	1,500	
Ditto—	Leon Israel & Co	359	9,339
—INF. ISABEL—B. Aires	Pascual Barberis & C.	1,017	
Ditto—	Société F. Bresilienne	365	
Ditto—	Eugen Urban & Co	961	
Ditto—	G. Trinks & Co	294	
Ditto—	Luiz Suplicy	150	
Ditto—	Dauch & Co	100	
Ditto—	Ezequiel Ribas	15	2,902
—DUPELIX—B. Aires	Ed. Johnston & Co	1,049	
Ditto—	Picone & Co	200	1,249
—LEAO XIII—Montevideo	Diebold & Co	250	
Ditto—Buenos Aires	Diebold & Co	100	350
—GURUPY—New York	Hard Rand & Co	—	13,421
A. V. DE JOYEUSE—B. Aires	Nauman Gepp & Co	355	
Ditto—	Stolle Emerson & Co	300	655
—KENNEMERLAND—B. Aires	Nossack & Co	100	
Ditto—	A. Guimaraes	100	
Ditto—Montevideo	Nossack & Co	150	350
—SAVOIA—Genoa	S. A. Martinelli	8,521	
Ditto—	Levy & Co	1,000	
Ditto—	I. R. Matarazzo	1,000	
Ditto—	Leme Ferreira & Co	750	
Ditto—	Ed. Johnston & Co	500	
Ditto—	Raphael Sampaio & C.	500	
Ditto—	J. da Costa Almeida	500	
Ditto—	A. Baccarat	500	

Ditto—	Whitaker, Brotero & C.	500	
Ditto—	Antonio Poli	512	
Ditto—	J. Lopes & Co	421	
Ditto—	Belli & Co	62	
Ditto—	F. Macchiorlatti	50	
Ditto—	Cia. Puglisi	125	
Ditto—	J. B. E. Garibaldi	150	
Ditto—	J. J. Figuerido & Co	50	
Ditto—	E. Whitaker & Co	1	
Ditto—	Amedeo Fregoli & Co	3	
Ditto—Naples	Leme Ferreira & Co	250	
Ditto—	Belli & Co	127	
Ditto—Palermo	Prado Ferreira & Co	125	15,717
—TUPY—Havre	E. Alves Toledo & Co	—	50,000
CATALINA—B. Aires	G. Trinks & Co	308	
Ditto—	E. Alves Toledo & Co	300	
Ditto—	Pascual Barberis	75	
Ditto—	Ribas, Hermanos	15	698
8—TUBANTIA—Amsterdam	Cia. Prado Chaves	3,000	
Ditto—	Nauman Gepp & Co	2,750	
Ditto—	Hard Rand & Co	2,750	
Ditto—	Société F. Bresilienne	1,500	
Ditto—	Theodor Wille & Co	1,500	
Ditto—	M. Wright & Co	1,500	
Ditto—	E. Alves Toledo & Co	1,500	
Ditto—	Leme Ferreira & Co	1,250	
Ditto—	Nossack & Co	1,000	
Ditto—	Levy & Co	1,000	
Ditto—	Leon Israel & Co	1,000	
Ditto—	Stolle Emerson & Co	1,000	
Ditto—	Eugen Urban & Co	1,000	
Ditto—	Ed. Johnston & Co	1,000	
Ditto—	Whitaker Brotero & C.	1,000	
Ditto—	Nhoac & Co	750	
Ditto—	Santos Coffee Co	500	
Ditto—	G. Trinks & Co	500	
Ditto—	Dauch & Co	500	
Ditto—	J. Aron & Co	500	
Ditto—	Zerrenner Bulow & C.	500	
Ditto—	Leite Santos & Co	500	
Ditto—	Malta & Co	500	
Ditto—	Alberto Reismann	12	
Ditto—	Sundry	2	27,014
8—SAMARA—Bordeaux	Ed. Johnston & Co	6,125	
Ditto—	Picone & Co	3,000	
Ditto—	E. Alves Toledo & Co	2,000	
Ditto—	Prado Ferreira & Co	1,875	
Ditto—	M. Wright & Co	1,250	
Ditto—	J. Osorio	1,000	
Ditto—	Malta & Co	500	
Ditto—	Leite Santos & Co	500	
Ditto—	A. Freire & Co	1	
Ditto—Lisbon	Belli & Co	1	
Ditto—Consumption	A. Falcão & Co	3	16,225
—ANTWERPEN—Copenhagen	Ed. Johnston & Co	6,000	
Ditto—	Eugen Urban & Co	6,000	
Ditto—	Hard Rand & Co	3,000	
Ditto—	M. Wright & Co	2,500	
Ditto—	Nauman Gepp & Co	1,000	
Ditto—	Leon Israel & Co	750	
Ditto—	Leite Santos & Co	500	
Ditto—Consumption	Theodor Wille & Co	1	19,751
	Total overseas	—	158,155

SANTOS—COASTWISE.

—ITAJUBA—Porto Alegre	Venacio & Irmao	—	1,199
8—SATURNO—Rio	Tobias de Barros	423	
Ditto—	Eugen Urban & Co	285	708
	Total overseas	—	1,907

SHIPPERS.

Brazilian	95,387
British	33,304
American	26,814
German & Austrian	14,129
Italian	14,121
French	2,615

Overseas	186,370
Coastwise	5,795

Total 192,165

DESTINATIONS

France	66,605
Holland	27,014
Sweden	26,075
United States	22,780
Denmark	19,751
Italy	15,717
South America	8,053
Gt. Britain	250
Norway	125

Overseas	186,370
Coastwise	5,795

Total 192,165

PER SHIPPING COMPANIES.

Brazilian	72,780
Sweden	27,615
Dutch	27,364
Danish	19,751
French	18,509
Italian	15,415
Spanish	3,250
British	586
Overseas	186,370
Coastwise	5,795
Total	192,165

PERNAMBUCO MARKET REPORT.

4th February, 1916.

Sugar. The entry for January was 196,628 bags compared with 289,016 bags last year and for crop 754,525 bags compared with 1,145,608 bags for previous crop, or shortage to date of 391,083 bags. The market has been firm all week and prices secured by planters are in some cases a little higher and whole entry has found buyers at 8\$ to 8\$500 for usinas, 7\$300 to 1\$400 white crystals, 7\$ to 7\$400 ordinary whites 3a, 5\$800 to 6\$100 somenos and 4\$100 to 4\$500 bruto secco, all a granel, whilst so far dealers' prices for bagged article are unchanged, but with no inclination to sell much thereof:—

Usinas	9\$000 to 9\$800 per 15 kilos on shore
Crystal (white) ..	8\$000 to 8\$500
Ditto (yellow) ..	6\$000 to 6\$500
Whites 3a boa ..	7\$800 to 8\$200
Somenos	6\$500 to 6\$800
Bruto Secco	4\$600 to 5\$000

Nothing more has been done for Montevideo or Argentina. Sellers are now firmer in their ideas and want an advance on last price paid, as they can now get that a granel in the market. There has been more enquiry during the week from the home markets and fair sales reported for Rio Grande ports and other markets.

Shipments since my last have been 15,700 bags Rio Grande port, per s.s. Santos 23,334 bags white crystals for Montevideo. For bruto mellado or any other sort of rubbish 4\$ can be got for Liverpool for brewing purposes and at such price pays the planter better to sell than to make bruto secco of it for home markets.

Cotton. January entry was 30,462 bags compared with 24,929 bags same month last year and the crop to date has now given 128,096 bags compared with 88,872 bags to same date in previous crop, showing excess of 39,224 bags and yet the cry still is of shortage, this has been entirely a matta crop, as nothing of any consequence has come from the sertão districts, from which reports are again favourable, as rains have apparently stopped, whilst the new vegetation has been devoured by caterpillars and if true is not promising for next season's crop up there. The market is firm and 28\$ freely offered, but so far only about 200 bags seem to have changed hands at this price and holders are generally sticking out for 30\$ again, but at the moment buyers do not seem to think there is much chance of their getting the price; however, there is no telling and there is plenty of stuff sold at that figure and until its delivery sellers will not entertain business at anything less and anyone wanting ready cottons would certainly not get it to-day under 30\$ and country people seem rather scared of selling short even at high price, as they say any day the entries may fall away suddenly and if caterpillars attack the new shoots thrown out by plants in matta zone, there would be an end to the winter crop which the December rains seem to promise. Shippers are all complaining of lack of tonnage and since my last only clearances have been 903 bags and 400 bales for Bahia and 220 bags for Sergipe.

Coffee firm market at 8\$ to 8\$500, but little business passing and none for export.

Cereals. There is steady demand and milho has advanced to 10\$ to 10\$300 per bag of 60 kilos on enquiry from northern ports; beans quoted 19\$ to 20\$ per bag of 50 kilos for home grown and 18\$ to 18\$500 for imported from southern ports; farinha 12\$500 to 13\$ per bag of 50 kilos for Porto Alegre, etc., and 31\$ to 36\$ per bag of 100 kilos for home grown.

Freights. The Argentine s.s. Santos was fixed for dry sugar to Montevideo, but the rate has not transpired. For Liverpool nothing on berth.

Exchange after dropping to 11 5-16d. is firmer again at 11 3-8d. bank, with hardly any money offered, but even so there is not much confidence and many people think lower rates will prevail ere long and pessimists talk of 9d. as probable, as soon as coffee bills become scarce.

5th February, 1916.

Sugar. The sale was made known yesterday of the sale of 25,000 bags brutos of more or less low quality and probably all unsuitable for home consumption at 4\$, 4\$100 and 4\$200. The business was mostly put through some three days ago and is des-

tinued for Liverpool whenever a boat comes along. The market to-day is exceedingly firm.

Cotton. Late yesterday afternoon about 6-7,000 bags were sold to Southern shippers at 30\$ and to-day 29\$ is freely offered without finding sellers and this although the Lloyd boat Purus arrived from New York yesterday has on board 700 bales of American cotton destined for your port and the next two or three boats are reported as bringing more. Altogether it is said some 15,000 bales were sold, the business being done by a German firm. It now remains to be seen if the mills find the working up of it satisfactory. In the meantime it has created no panic here and sellers absolutely refuse any business under 30\$, whilst there are plenty of buyers at 29\$.

Exchange has opened firm, with foreign banks drawing at 11 3-8d. and the Banco Recife at 1-16d. better, but even so takers do not come.

Railway News

THE LEOPOLDINA RAILWAY COMPANY

ESTIMATED WEEKLY TRAFFIC RECEIPTS.

Year	Week Ended.	Receipts for Week			Total from 1st Jan.
		Currency.	Exchange.	Sterling.	
1916	5th. Feb.	524:000\$	11 15/32	£ 26,040	£ 124,316
1915	6th. Feb.	660:000\$	13 15/16	£ 36,609	£ 161,536
Increase...	—	—	—	£ —	—
Decrease....	—	136:000\$	2 15/32	11,569	£ 40,250

THE S. PAULO RAILWAY COMPANY.

ESTIMATED WEEKLY TRAFFIC RECEIPTS.

Year	Week Ended	Receipts for Week			TOTAL from 1st January
		Currency.	Exchange	Sterling	
1916	30th Jan.	554:387\$	11 1/2	26 564-7-7	181,840-9-5
1915	31st Jan.	554:300\$500	13 9/16	31,323-15-1	140,592-3-5
Increase...	—	86\$500	—	—	—
Decrease...	—	—	2 1/16	4,759-7-6	22,151-14-0

RUBBER

Weekly Cable. London quotations for hard fine closed on Friday, 11th Inst., 1d. up at 3s. 2½d. per lb. and at Para at 5\$850 an improvement of 150 reis per kilo.

SHIPPING

Engagements. The Royal Mail report following engagements: Per s.s. Carmarthenshire, sailing March, total between Santos, Rio and Bahia, about 140,000 bags for Havre and 36,000 for U.K., she will also take 330 tons of frozen meat, a quantity of canned meats and some hides; per s.s. Amazon, end February, 100,000 bags for U.K.; s.s. Orita, Feb. 18, 5,000 bags engaged from Rio for Havre. Demand for Havre, in fact, seems to have fizzled only 21,500 engaged in Santos, of which 10,000 for U.K. and rest for Havre. Demand for Havre, in fact, seems to have stopped, and the Denbighshire will proceed to Bahia and fill up with cocoa.

Cie. Chargeurs Reunis reports 90,000 bags from Santos per s.s. Ango, sailing 1st half March, for Havre.

The Cie. Sud Atlantique report per s.s. Parana, sailing mid March, for Marseilles, 10,000 bags from Rio and 50,000 bags from Santos.

Mr. Luiz Campos reports another 4,000 bags engaged per s.s. Annie Johnson for Rio, making 22,000 in all; for the s.s. Axel Johnson another 11,000, making 18,000 in all and for the s.s. P. Margareta 41,000 Santos and 26,000 Rio, or 67,000 all told.

Mr. Cumming Young has no further engagements to report, nor will any steamer of the Norwegian Line be available between beginning March and mid April.

Freights to Havre. The Royal Mail and Chargeurs Reunis rates for March are 215 frs. and 10 per cent. from Rio and 210 frs. from Santos. Freights to Havre have risen continuously from 140frs. to 155frs., 205frs. and now 215frs. and 10 per cent.

The Cia. Comercio e Navegação has offered the s.s. Tijuca for Havre at 235frs. and 10 per cent. per 900 kilos, but nothing closed yet.

The Cie. Sud Atlantique's rates for Marseilles are 220frs. in full per 1,000 kilos and for Bordeaux 215frs. and 10 per cent. per 900 kilos. For Portuguese ports 200frs. and 10 per cent. per 1,000 kilos.

—The Comercio e Navegação ss., Tupy took 50,000 bags at 210 fres. and 10 per cent. all from one Santos firm for Havre.

—The Chargeurs Reunis s.s. Ango is full. Several other French boats are on the way out, so that there should be no lack of tonnage, the question apparently being where they are going to find coffee unless enquiries from Santos improve very quickly.

—Something must have gone radically wrong somewhere if, after all the talk of lack of tonnage for 1,200,000 bags supposed to be awaiting shipment at Santos, even the Denbighshire cannot be filled. Perhaps valorisation has something to do with it, late advices from Havre now being mute on the subject. The s.s. Carmarthenshire on her return voyage will be requisitioned for Genoa, as also the R.M.S.S. Pardo and Californian in all probability to load at B. A. on British Government account.

—Wheat rates at B.A. now rule 152s. per ton, which is better than coffee at 180s., as 20 per cent. more wheat than coffee can be loaded in the same space. The fact that there is much less delay at Buenos Aires and steamers are not required to call at two or three ports to get full cargo is also a point in favour of that port.

Scandinavia is coming to the conclusion that it is better for her to have England for than against her! Several of the more important Scandinavian steamship companies, especially Danish and Norwegian, have now made arrangements with the British allowed to carry cargo to port of destination, with the guarantee that goods in any way under suspicion shall be returned to England.

—The reported sinking of the P.S.N.C. Orissa is contradicted. She met with an accident somewhere about La Pallice, but all passengers were landed.

—In reply to the request of the Brazilian Minister to release the R.M.S.P. Avon, the British F.O. regrets that it is impossible, as her services are urgently required for Government purposes.

U.S. Freight Markets. "Shipping Illustrated" of 15th Jan. reports steam chartering exceedingly quiet, it being next to impossible to secure boats for any kind of business, rates continuing to advance.

Fixtures: Schr., E. Starr Jones, 787 tons, Rio to Baltimore, manganese, p.t. Jan.; schr., Republic, 680 tons, Norfolk to Rio, coal, \$10, Jan.; schr., E. Starr Jones, 787 tons, Hampton Roads to Rio de Janeiro, p.t., Jan.

—A U.S. Consular report from Sweden states that in order to meet the situation created by the British embargo on coal exports to Sweden, everything has been done to increase the output of coal in Southern Sweden, as well as to invent new ways and means of using peat. There are huge peat bogs in Sweden, and experiments have been made in mixing it with various chemical substances, for consumption by the industries of the country. Under ordinary circumstances the output of coal in Sweden amounts to about 200,000 tons per annum. This has been slightly increased since the war began. In normal times Sweden imports something like 200,000 tons of coal from Germany. Sweden needs about 4,000,000 tons of coal annually, and prior to the war the value of the purchases reached \$26,000,000. The value in 1915 will reach a much higher figure. The Swedish State railways since last autumn have purchased 125,000 tons of coal in the United States; 100,000 tons of steam coal were purchased at the beginning of May, 1915. The State railways have been reluctant to divulge the freight rate which was contracted for in order to have this coal delivered at Swedish ports, but it is presumed that a rate was offered at as low figure as was possible under the circumstances. It must be borne in mind that most of the railways in Sweden belong to the State and the Government assists all Swedish steamship companies.

—Last Sunday the Brazilian transport Sargento Albuquerque arrived in New York harbour with a cargo of coffee from Santos. The vessel is consigned to the Holsam Co., Inc., 18 Broadway, of which Mr. A. C. Holzapfel is president and Mr. Lionel Samuel, vice-president. After discharging her cargo, the vessel will load general cargo for Lisbon. It will be seen that the Brazilian Minister of Marine has a keen weather eye for business, and that he has taken advantage of the enormous rise in freights to employ to good advantage this cargo carrier of about 2,500 tons capacity. Not only will this voyage afford profitable employment for the vessel which during peace time has only been an expense to the Brazilian Government, but the Minister also deserves the grateful acknowledgement of American export houses, insofar as he provides some additional tonnage for the pressing needs of this port which is badly in need of ships. Capt. Radler de Aquino, former Brazilian Naval Attaché at Washington and known to all navigators in connection with his works on the "New Navigation," commands the ship, which has the highest class in Bureau Veritas.

VESSELS ARRIVING AT THE PORT OF RIO DE JANEIRO During the week ending February 10th, 1916.

- Feb. 4.—POSTERIO, Brazilian s.s. 1389 tons, from Buenos Aires
4.—PHILADELPHIA, Brazilian s.s. 359 tons, from Caravellas
4.—DEMERARA, British s.s. 7292 tons, from Buenos Aires
4.—CARANGOLA, Brazilian s.s. 358 tons, from Rio Dece
4.—ANNA, Brazilian s.s. 354 tons, from Laguna
4.—ITAGIBA, Brazilian s.s. 1221 tons, from Porto Alegre
5.—GOYAZ, Brazilian s.s. 981 tons, from Rosario
5.—ILFORD, British s.s. 2713 tons, from Coronel
5.—PLANETA, Brazilian s.s. 253 tons, from Bahia
7.—SANTARIO, British s.s. 3005 tons, from Antofagasta
7.—SANTA CRUZ, American s.s. 3284 tons, from Norfolk
7.—SARAMACCA, American s.s. 3284 tons, from Norfolk
7.—COTOVIA, British s.s. 2527 tons, from Rosario
8.—TEIXEIRINHA, Brazilian s.s. 257 tons, from S. Matheus
8.—BYRON, British s.s. 2526 tons, from Buenos Aires
8.—C. EMBERCAS, British ss., 1603 tons, from Cardiff
9.—ITAPURA, Brazilian s.s. 1779 tons, from Porto Alegre
9.—TUPY, Brazilian s.s. 1785 tons, from Santos
9.—SAMARA, French s.s. 3772 tons, from Buenos Aires
9.—VOLTAIRE, British s.s. 5445 tons, from New York
9.—JACUHY, Brazilian s.s. 1182 tons, from Pará
9.—SATURNO, Brazilian s.s. 933 tons, from Montevideo
9.—TUBANTIA, Dutch s.s. 8561 tons, from Buenos Aires
9.—ORONSA, British s.s. 4516 tons, from Callao
10.—SAN MELITO, British s.s. 5164 tons, from Trex Pam
10.—VAKINILLONA, Argentine s.s. 439 tons, from Buenos Aires
10.—TOSCANA, Italian s.s. 2559 tons, from Buenos Aires
10.—MAYRINK, Brazilian s.s. 375 tons, from Laguna
10.—P. DI UDINE, Italian s.s. 4936 tons, from Buenos Aires
10.—ZEELANDIA, Dutch s.s. 4960 tons, from Amsterdam

VESSELS SAILING FROM THE PORT OF RIO DE JANEIRO During the week ending February 10th, 1916.

- Feb. 4.—MONTANAN, American s.s. 4064 tons, for Philadelphia
4.—A. V. DE JOYEUSE, French s.s. 3688 tons, for Buenos Aires
4.—NIVERIO, British s.s. 2782 tons, for Bahia Blanca
4.—ARASSUAHY, Brazilian s.s. 650 tons, for Caravellas
4.—DEMERARA, British s.s. 7292 tons, for Liverpool
5.—ACRE, Brazilian s.s. 1555 tons, for New York
5.—ITAPUAN, Brazilian s.s. 521 tons, for Pelotas
5.—CAMPISTA, Brazilian s.s. 799 tons, for Genoa
5.—ITAQUERA, Brazilian s.s. 1254 tons, for Recife
5.—ITAIPAVA, Brazilian s.s. 707 tons, for Porto Alegre

6. ITACOLONY, Brazilian s.s. 569 tons, for Porto Alegre
6. P. INGEBORG, Swedish s.s. 2159 tons, for Buenos Aires
6. LLEFORD, British s.s. 2713 tons, for S. Vicente
6. CAPIVARY, Brazilian s.s. 440 tons, for Natal
6. ITATINGA, Brazilian s.s. 1181 tons, for Porto Alegre
7. HAWAIIAN, American s.s. 4653 tons, for Santos
7. ROSEIE, British s.s. 3035 tons, for S. Vicente
8. BYRON, British s.s. 2526 tons, for New York
8. ITAGIBA, Brazilian s.s. 1221 tons, for Natal
8. PLANETA, Brazilian s.s. 253 tons, for Laguna
8. CHATTON, British s.s. 2321 tons, for Rosario
8. ITAQUA, Brazilian s.s. 512 tons, for Antonina
9. SAMARA, French s.s. 3772 tons, for Bordeaux
9. TUBANTIA, Dutch s.s. 8561 tons, for Amsterdam
9. MAFALDA, Norwegian s.s. 1334 tons, for Buenos Aires
9. FINN, Norwegian s.s. 2773 tons, for Buenos Aires
9. PIRANGA, Brazilian s.s. 950 tons, for Mandos
9. CARANGOLA, Brazilian s.s. 258 tons, for S. J. da Barra
9. ANNA, Brazilian s.s. 463 tons, for Laguna
10. MARANHÃO, Brazilian s.s. 1303 tons, for Mandos
10. VOLTAIRE, British s.s. 5445 tons, for Buenos Aires
10. ITAPEMA, Brazilian s.s. 825 tons, for Porto Alegre
10. ZEELANDIA, Dutch s.s. 4950 tons, for Buenos Aires
10. GLENORCHY, British s.s. 3019 tons, for Buenos Aires
10. P. DI UDINE, Italian s.s. 4516 tons, for Genoa
10. ORONSA, British s.s. 4514 tons, for Liverpool
10. PIRANGY, Brazilian s.s. 950 tons, for Mandos

VESSELS ARRIVING AT THE PORT OF SANTOS

During the week ending February 10th, 1916.

- Feb. 3. ANNA, Brazilian s.s. 247 tons, from Laguna
3. I. ISABEL, Spanish s.s. 8009 tons, from Barcelona
3. DUPLIX, French s.s. 4646 tons, from Havre
3. AUDOERTH, Norwegian barque, 1454 tons, from B. Aires
3. JUPITER, Brazilian s.s. 557 tons, from Rio
3. ANTWERPEN, Danish s.s. 1026 tons, from Copenhagen
4. KENEMERLAND, Dutch s.s. 2587 tons, from Amsterdam
4. ITAJUBA, Brazilian s.s. 869 tons, from Rio
4. GARIBALDI, Italian s.s. 3108 tons, from Genoa
4. SAVOIA, Italian s.s. 3099 tons, from Buenos Aires
4. DALMATA, Argentine s.s. 1179 tons, from Rosario
4. BOCAINA, Brazilian s.s. 871 tons, from Rio
4. LEO XIII, Spanish s.s. 2720 tons, from Bilbao
5. A. V. DE JOYEUSE, French s.s. 3667 tons, from Havre
7. TOSCANA, Italian s.s. 2559 tons, from Buenos Aires
8. TUBANTIA, Dutch s.s. 8561 tons, from Buenos Aires
8. SATURNO, Brazilian s.s. 515 tons, from Montevideo
8. CATLAINE, Spanish s.s. 3491 tons, from Barcelona
8. ITAPURA, Brazilian s.s. 926 tons, from Porto Alegre
8. MAYRINK, Brazilian s.s. 234 tons, from Laguna
8. D. RODOLPHO, Brazilian yacht, 47 tons, from Tijucas
9. HAWAIIAN, American s.s. 2555 tons, from New York
9. P. DI UDINE, Italian s.s. 4936 tons, from Buenos Aires

VESSELS SAILING FROM THE PORT OF SANTOS

During the week ending February 10th, 1916.

- Feb. 3. ANNA, Brazilian s.s. 247 tons, for Rio
3. INF. ISABEL, Spanish s.s. 8099 tons, for Buenos Aires
3. DUPLIX, French s.s. 4646 tons, for Buenos Aires
3. PORVENIR, Argentine s.s. 662 tons, for Paranaguá
4. ITAJUBA, Brazilian s.s. 869 tons, for Porto Alegre
4. GURUPY, Brazilian s.s. 599 tons, for New York
4. GARIBALDI, Italian s.s. 3118 tons, for Buenos Aires
4. LEO XIII, Spanish s.s. 2720 tons, for Buenos Aires
5. KENEMERLAND, Dutch s.s. 2587 tons, for Buenos Aires
5. BOCAINA, Brazilian s.s. 871 tons, for Buenos Aires
5. A. V. DE JOYEUSE, French s.s. 3677 tons, for Buenos Aires
7. ITATINGA, Brazilian s.s. 926 tons, for Porto Alegre
7. ANTWERPEN, Danish s.s. 1026 tons, for Copenhagen
8. SAMARA, French s.s. 3772 tons, for Bordeaux
8. SATURNO, Brazilian s.s. 515 tons, for Rio
8. TUPY, Brazilian s.s. 1102 tons, for Havre
8. ITAPURA, Brazilian s.s. 921 tons, for Rio
8. SATALINA, Spanish s.s. 3491 tons, for Buenos Aires
8. TUBANTIA, Dutch s.s. 5681 tons, for Amsterdam
8. CACIQUE, American s.s. 4344 tons, for S. F. (California)
9. ANTONIETA, Argentine lugger, 207 tons, for Paranaguá
9. P. INGEBORG, Swedish s.s. 2159 tons, for B. Aires
9. P. DI UDINE, Italian s.s. 4936 tons, for Genoa
9. TOSCANA, Italian s.s. 2559 tons, for Genoa
9. ITAPOAN, Brazilian s.s. 512 tons, for Rio

The Week's Official War News

The following extracts from the enemy press dealing with the economic situation in Germany have been received by His Britannic Majesty's Minister:

London, 9th February, 1916.

The failure of the Imperial Potato Office and the maximum potato prices is admitted in the official announcement published in the German press of 26th and 27th January, communal unions and the military and naval authorities having been authorised to buy potatoes from growers at prices exceeding the maximum. No increased burden is intended officially to fall on the consumer as the extra price is to be borne by the public funds. The partial increase in the maximum growers' prices has excited violent and justifiable indignation among the urban newspapers, the growers having been officially informed that on no account would maximum prices be increased.

The "Frankfurter Zeitung," of 27th January says that the

government has gone back on its solemn oath, its premiums for early delivery being really premiums for selfishness. The "Homburgischer Correspondent" of 22nd January adds to the indictment the sneer that it is a miserable achievement for the Potato Office, failing to provide the needs of towns.

The war has had very serious results for the Austrian cotton industry and a writer in "Die Zeit," of 26th January, discussing the position, cannot deny the outstanding feature of 1915 being the extraordinary high price of raw materials and yarns. Regarding the future, the writer points out that provisioning the army with cotton goods and holding back new orders will ensure that only civil concerns will be affected by shortage, but the reservation of raw material for military purposes must lead to a great reduction in the textile activities, possibly a complete standstill.

A report of the burgomaster of Vienna, published in the "Fremdenblatt," of the 22nd January, shows that the supply of eggs and milk is far below the demand. The municipal trade in potatoes has caused considerable anxiety owing to the damage done by the frost in November and the following mild rainy period interfering with shortage. The number of persons fed at the free kitchens has shown the remarkable increase of 45,000 portions served daily during December.

The "Vorwärts," of 27th January, reports that the co-operative society Gotha closed its butcher's business after five years' existence, owing to the impossibility of obtaining pigs suitable for slaughter.

The Leipzig municipal budget for 1916, according to the "Muncher Neueste Nachrichten," of 30th January, shows a deficit of 27,909,227 marks, against 19,197,238 marks in 1915. To make good the deficit it will be necessary to increase the municipal income tax.

"De Telegraaf," of 30th January, quoting from the "Vossische Zeitung," says that many German shop keepers, when selling articles of food, stipulate that customers must bring paper to wrap up their purchases, the shops being unable to supply it gratis.

The "Vorwärts," of 28th January states that a few days ago the public were urged to substitute buckwheat and millet for highly expensive articles such as rice, attention being called to the digestibility of these grains and recipes for cooking published. The prices of buckwheat and millet are, however, enormous, buckwheat costing ninety pfennings per pound and millet eighty, and in any case there is no buckwheat or millet to be had.

According to reports of eye-witnesses, "De Telegraaf," of 31 January, says that hundreds of women marched through the streets of Dusseldorf on the evenings of last week, clamouring for their husbands and for bread for their children. Riots have also occurred in many places, furious crowds being dispersed by police and the military with great difficulty. The same paper says that the exodus of Dutchmen from Germany back to Holland continues, great numbers arriving at Enschede. They have been driven from Germany by the high prices of food stuffs and by their inability to get employment. All show signs of having suffered severe privations.

London, 12th February, 1916.

The Russian capture of the elaborately fortified position of Usiezko and the crossing to the west bank of the Dniester is recognised as of prime tactical importance since the bridge formed a point of connection for the Austrian armies operating north and south of the river and the loss is held to foreshadow a move on Czernowitz.

There are significant reports from the Riga-Dvinsk front, where the Russians, supplied with mobile heavy artillery, are outshooting the Germans.

Following the rout at Erzerum, the Turkish left wing was turned and cut off from the Black Sea. The advance is not being pressed here, but on the Turkish right flank at Lake Van, where the Russians are pressing forward continuously with the objective of cutting the Bagdad Railway. Meanwhile a small well equipped Russian force has now confined the disorderly Turco-Perso-Germanic elements in Kermanshah.

Russian torpedo boats off the Anatolian coast, have damaged the centres of the coal-export of Constantinople and probably sunk a submarine.

On the British front, with the exception of air activity, nothing vital has occurred.

The official publication of air casualties and damage done to England shows how unfounded is the German claim that our economic life or military preparedness can be appreciably affected by promiscuous bomb dropping from airships wandering over the country in the dark.

Nothing but successful artillery fire is reported from the French front.

The Cameroons now passes out of German possession with the internment by the Spanish of 900 German Europeans and 14,000 natives. General Smith Dorrien, who was taken ill on his way out to command the German East African expeditionary force, has been succeeded by General Smuts, the brilliant Boer commander.

There are reports current of German preparations for an offensive in the west. There are indications of the Germans relying increasingly on coming military operations to aid them in an attempt to gain political ends. Thus their wild threats, their attempts to sow dissensions amongst the allies, their protest against the idea of a war of extermination, the suggestions that neither side can win, are all significant as emanating from Germany. Faced with the question of exhaustible numbers of men of a military age, a big offensive is not likely. The Germans might well reason that success would mean everything and that a half success might give material for bluffing peace.

Swiss and Swedish reports show the intensity of the struggle to restore the value of the German mark.

The question of freight raised recently has been firmly grasped by the Government, who is said to have satisfied allied interests.

Cardinal Mercier preserves silence as to his visit to Rome, but he is said to have satisfied the Pope of the innocence of the Belgian clergy in connection with the franc-tireur accusations. The Belgian refugees in England have testified their confidence in the Cardinal and their determination to accept no peace unless satisfactory.

First class steel is now being manufactured at Newcastle, in Australia.

Mr. Redmond, the Irish Nationalist leader, at a recruiting conference at Dublin, said that he had seen a most significant statement about documents found on a Prussian officer; among them was a series of maps of Ireland, showing every parish and farm in the country. If the Germans came to Ireland, he said, they would do as they have done in Belgium. Every day that had passed since the war began convinced him more and more that the highest interest of Ireland from every point of view was a speedy and victorious end to the war. He felt this so strongly that even if he stood alone he would raise his voice and face any consequences by taking action which his conscience told him to be the best for the freedom and prosperity of Ireland.

London, 14th February, 1916.

Admiralty announces under date of February 14th that H.M.S. "Arethusa" (Commodore Tyrwhitt) struck a mine off the East Coast. It is feared that she will become a total wreck. About ten men have lost their lives.

London, 14th February, 1916.

The following extracts from the enemy press dealing with the economic situation in Germany has been received by His Majesty's Consulate General:—

A long article published in "Die Zeit," of 27th January explains that, whereas all other agricultural produce has increased

considerably in value owing to the war, the price of hops has steadily declined and the demand has fallen almost to zero, the causes being the reduction in the consumption of barley malt, owing to the diminished output of beer, closing down of many small breweries and the increased cost of labour, raw materials and complete impossibility of exporting to America and England. Before 15th March, 1915, hops bought by Americans on the continent found their way to the United States, but after that date such trade became impossible. The 1914 crop was large, one portion remaining unsold; prospects, therefore, of disposing of the 1915 crop are very gloomy. The losses to the hop trade in Austria-Hungary in 1914 and 1915 are estimated at 50,000,000 kroner, those of Germany still higher. The loss which now falls on the hop growers will later fall on the brewers, when hops become scarce as a result of diminished production.

The "Kolnische Zeitung," of 29th January, says that the bread ticket spirit, from which Hindenburg expected great results, is showing signs of weakening, too much waste existing in hotels. Too many people having no claim as manual workers are anxious to obtain supplementary allowances of bread. The bread ticket is not to be looked upon as a sort of permission to consume the amounts of bread set forth thereon, but everyone should do their utmost to eat less than the amount allowed. The great evil of extravagance is met with in rural districts, where either in ignorance of the law, carelessness or insufficient respect for official orders, breadcorn is being used as fodder.

According to the "Vorwärts," of 1st February, a boom in the metal industry of Berlin is now on the decline and though some large firms still are in full work, many are dismissing hands. Excessive hours are prevalent, but employers maintain that there is not enough skilled women labour on the market to enable them to dispense with women's overtime and night-work.

Referring to the distress of the German newspaper industry, the "Frankfurter Zeitung," of 3rd February, describes the position of the newspaper publishers in regard to paper as serious. The paper manufacturers are faced with the urgent necessity of demanding a 20 per cent. increase on existing prices, owing to the generally unsatisfactory condition of the paper industry brought about by the war and clearly reflected in the dividends of the large mills.

The proclamation of the Berlin Administrative Board published in the "Vorwärts," of 3rd February, reveals some difficulties involved in the requisitioning of domestic articles in that city. Tenants of flats very commonly refuse to surrender the brass doors of their ovens and stoves to landlords, whose duty it is to give them to the authorities. It is also generally found that articles which should be surrendered are being hidden despite the serious penalties attached.

The "Berliner Tageblatt," of 2nd February, makes a further attack upon the Government's treatment of the potato and sugar question. To abuse producers, because they exploit the patience of the authorities, would be unjustifiable, when organs which officially represent the Government commence to abuse consumers for not greeting the news of the increase in the maximum price of articles of food, which is present in more than sufficient quantities, with a hymn of praise to the wisdom of the Government.

The "Berliner Tageblatt," of 1st February, states that the union of German delikatessen sellers addressed a second memorial to the Berlin Administrative Board containing much the same representations as their earlier memorial of 18th December, to which no answer has been received.