

# Wileman's Brazilian Review

A JOURNAL OF TRADE AND FINANCE

PUBLISHED WEEKLY TO CATCH BRITISH MAILS.

VOL. 3

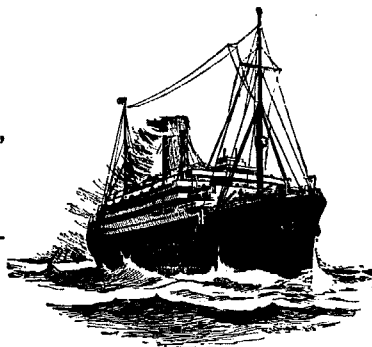
RIO DE JANEIRO, TUESDAY, July 4th, 1916

N. 27

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ORTEGA.....	20th	"
DESEADO.....	21st	"

DARRO.....	28th	July
ORITA.....	10th	August
DESNA.....	11th	"

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Reserve Fund .....	£1,400,000

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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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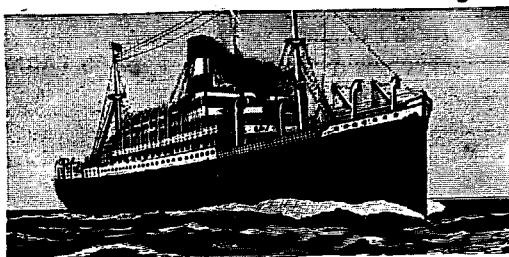
**DELIVERY AT RESIDENCE.**—A regular service of delivery at residence in Rio de Janeiro, Nictheroy, Friburgo, Campos and Petropolis is maintained by the Company, by which parcels may be despatched direct from any address in one of the above mentioned cities to any of the others with the minimum of trouble and at moderate rates. For further information vide "Guia Geral e Horarios" issued by the Company twice a year or apply to any Agency or station in Rio or in the Interior.

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Vasari ..... 1st August



Verdi ..... 15th August

Vestris ..... 12th September

Cabins de Luxe and Staterooms with one, two or three beds and bath-room.

All steamers fitted with Wireless Telegraphy, Laundry, Gymnasium etc.

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== BRAZIL



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FOR RIVER PLATE:—

«San Remo» end July

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Regular Service between Scandinavia, Brazil and the River Plate.

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KRONPRINS GUSTAF—End of July.

SAILING FOR RIVER PLATE:—

AXEL JOHNSON—About 26th July.  
ANNIE JOHNSON—Middle of August.

For further particulars apply to:—

**LUIZ CAMPOS — 84, Rua Visconde, Inhauma, 84**

# Mailman's Brazilian Review

A JOURNAL OF TRADE AND FINANCE

PUBLISHED WEEKLY TO CATCH BRITISH MAILS

VOL. 3

RIO DE JANEIRO, TUESDAY, July 4th, 1916

No. 27

## THE RIO DE JANEIRO FLOUR MILLS & GRANARIES LIMITED.

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

Flour Mills: Rua da Gambôa No. 1

DAILY PRODUCTION: 15.000 BAGS.

Cotton Mill - Rua da Gambôa No 2. -

450 LOOMS.

DAILY PRODUCTION 27.000 METRES.

HEAD OFFICE — 48, MOORGATE ST. — LONDON E. C.

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(3<sup>er</sup> PISO)

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S. PAULO

4, RUA DA QUITANDA.

### AGENCIES

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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.

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Authorized Capital.....	£1,000,000
Capital Paid up.....	861,500
Reserve Fund.....	150,000

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## AGENTS—

Rio de Janeiro—

Crashley &amp; C., Rua do Ouvidor, No. 38.

São Paulo—

Hildebrand &amp; Co., Rua 15 de Novembro.

London—

G. Street &amp; Co., Ltd., 30 Cornhill, E.C.

## MAIL FIXTURES

## FOR EUROPE.

- July 2.—DRINA, Royal Mail, for Liverpool.  
 „ 5.—ZEELANDIA, Holland Lloyd, for Amsterdam.  
 „ 19.—AMAZON, Royal Mail, for Liverpool.  
 „ 20.—ORTEGA, P.S.N.C., for Liverpool.

## FOR RIVER PLATE AND PACIFIC.

- July 4.—AMAZON, Royal Mail, for River Plate.  
 „ 12.—DARRO, Royal Mail, for River Plate.  
 „ 13.—MEXICO, Royal Mail, for River Plate.

## FOR THE UNITED STATES.

- July 18.—BYRON, Lamport and Holt, for New York.

## 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.

## NOTES

The Patriotic League of Britons Overseas—Rio de Janeiro Branch. Statement for June, 1916:—

Warship and General Fund .....	£170 7 1
Blind Soldiers at St. Dunstan's .....	10 0 0
Prince of Wales' National Relief Fund .....	9 16 10
	£190 3 11

Rio de Janeiro, 1st July, 1916.—F. S. Pryor, Hon. Secretary.

## THE BLACK LIST—ADDITIONS 16 JUNE.

Armando, Ribeiro, Porto Alegre.  
 Wolff, Eric, Pernambuco.  
 Companhia Lithographica Hartmann Reichenbach, S. Paulo.  
 Weizflog, Max, Santos.  
 Schar, Ernest, Pernambuco.

## REMOVED

Whittaker, Ernesto, Santos.  
 Pooch and Co., Rio Grande do Sul and Bahia.

—Allied mills grind slowly, but ultimately they will be found to have reduced enemy overseas commerce to extremely minute proportions both in and out of the Fatherland, as local enemy firms are finding out to their cost.

Since the advent of the Black List enemy firms and block-listed firms are not only inhibited from shipping to and from even neutral countries in British bottoms, but are finding difficulties in shipping in neutral steamers, that depend on British sources for coal.

Again, coffee bags are made from jute produced in India and therefore under British control. To export coffee bags are indispensable, but where are enemy or blacklisted firms or anyone else to get them should the supplies of jute or hessians be shut off, as they certainly would be did the factories continue to furnish supplies to the enemy.

—Enemy importers, like Arp and Co., may boast that they have means of getting round the blacklist, but at what cost? Ultimately they, too, will be rounded up and the overseas trading of enemy and blacklisted firms in this country be given its final quietus, when it will be up to British firms to see that it never revives!

The Empire Prepared. It is years since I witnessed a/cinema and may be years, if ever, before I see one again. But in spite of dazzled, aching eyes, I watched this one through for two solid hours, absorbed, enthralled!

No mere letterpress, however vivid, could convey such a sense of the immense activity and restless earnestness of the women in the munition factories or impress on the imagination the change that the war has worked amongst our womenkind as the cinema.

Dainty girls, high-bred women and artisans vie feverishly with each other to speed up the cause of home and country against the ruthless enemy. They are in earnest!

Morituri te salutant! How many of the splendid youth that Kitchener's genius marshalled and organised to salute the King at that memorable review will return to tell the tale?

Alas, that even on such occasions a note of sadness must mingle with exultation that our youth should be as ready as ever to sacrifice themselves at the call of country! From the ends of the world they have come, as well as from old England, from Scotland and Ireland, Canada, Australia and New Zealand, India, Africa and out from amongst us here in Brazil, to fight

the good fight and win everlasting life for themselves and their country. Who dies if England lives?

Dear lads! Amongst you we count our own kith and kin, sacrificed to the mad ambition of a crazy Kaiser!

Can we ever forgive it—the sacrifice of the hope of England? Never, nor forget so long as memory holds its sway!

We are a long-suffering people; we love not vengeance—but there have been happenings in this war that have stirred English blood as never before and exact the sternest reckoning.

The scene changes, and from an ominous background of fog and smoke emerge great dreadnoughts, ploughing across the interwining waste of stormy waters, black, immense, the very epitome of Britain's power, which hurrying relentlessly across the stage, seem to be about to crush the awe-struck audience! Only the booming of the guns was lacking to give reality to this the most impressive picture of them all!

It is over! God Save the King has been sung and we wend out our way to the lightened street saddened that the unchecked ambition of princes should have made such things inevitable—but certain that, with such evidences of patriotism and endurance of the most unemotional people in the world, peace will return to this distracted world—the peace beyond understanding for those who so bravely gave their lives for their country and to those who survive Peace to cherish and honour their memory and to live each his own life once more without let or hindrance from princes or enemies.

A debt of gratitude is due to H.B.M.'s Acting Consul Mr. Drummond Hay, Messrs. Hugh Pullen, Lynch and their staff for the opportunity this exhibition has afforded to impress not only on our own community but on Brazilian friends the immensity of the effort our country has put forth to meet the designs of her enemies.

The amount of organisation and the labour entailed in such a production deserve recognition.

Fortunately by able management, not only has the risk of loss been avoided, but a welcome if small balance remains over for the Indian Red Cross Society. The film, which cost over £400, was ceded to the proprietor of the Cinema Palais, on condition of its being available again for exhibition with any additions as may from time to time be available. The film is now on tour and is at present on exhibition at S. Paulo.

**Alfred James Price Clarkson**, who died on 23rd June, at the British Hospital, from shock consequent on an operation that even his medical advisers scarcely hoped he could survive, was the son of Major-General James Price Clarkson, and was born at Madras on 24th September, 1854. He entered the London office of the then English Bank of South America in 1874 and afterwards joined the Rio branch of the same bank. After filling the post of manager of the Para and Pernambuco branches, he opened the branch at S. Paulo in 1892 and afterwards became manager of the Rio de Janeiro branch of the British Bank of South America, leaving the bank in 1897.

For some years and until his death he was engaged in the coffee business and was a prominent exporter to the Cape.

One by one the contemporaries we esteemed and lived with drop from the ranks, and pass to the great Unknown that eye hath not seen nor ear heard in any days! But that they are all there somewhere in some shape or form is as certain as that in the eternal scheme of things: death itself

Is but a sleep and a forgetting; the soul that rises  
with us our life's star

Hath had elsewhere its setting, coming from afar!

## TEUTO-BRAZILIANS AND THE BLACK LIST.

**Lequitur O Imparcial.** «The form the Black List is assuming is unquestionably unworthy and revolting.

British Consuls in different Brazilian ports are giving publicity to a circular concerned in the following terms, the morality of which cannot have escaped the attention of H.B.M.'s Minister.

British Vice-Consulate.—H.B.M. Government desire to make it known that any firm or person lending their name to houses included in the Black List will be liable to be included in said list themselves. It is, moreover, desired to bring to the knowledge of neutral firms the advantage accruing from exclusion of rivals of enemy nationality in the Black List.

This notice is specially directed to Brazilian commerce. Initiative might have been expected to be left to Brazilian firms themselves, but the following instance shows how far the British Government has gone in the adoption of compulsory methods that cannot be introduced into this country without intolerable violation of our neutrality.

Taking advantage of the war and our absurdly protective tariffs (sic) practically all our agriculture, especially coffee, is dependent on imported supplies of jute. Taking advantage of the war, the British Government demanded that jute factories should exclude blacklisted firms from the list of their clients. In turn the factories exact from agents and commissarios a declaration in writing that this anti-German declaration will be respected. The following documents show this process in action.

Circular of Cia. Mechanica e Importadora de S. Paulo.—We beg to call your attention to the fact that this company has assumed responsibility towards the British Government with regard to the sale of jute products to firms included in the Statutory List, with the object of preventing the export of said jute bags except in the form of bags for shipment of coffee or other national produce. As our ability to continue to supply you with bags depends on your acceptance, we beg that you will, on your part, undertake likewise not to transfer to any blacklisted firm bags or hessians bought from us.

The agreement is worded as follows:—With full knowledge of the undertaking of this company with the British Government not to sell jute products (bags or hessians) to firms included in the Statutory Black List, we hereby undertake on our side not to transfer said products bought by us from you to such firms and that they will be employed solely as cover for other commodities.

Is our Minister of Foreign Affairs aware of the negotiations in this country of the British Government, or has that Government not even consulted our chancellery on the subject?

Another and more recent fact of special significance shows the degree and violence of the interference (compression) of England in our internal affairs and how she abuses the position that the war has conferred on her in international traffic.

The German firm Urban advises its branch at Santos that it is unable to ship 3,000 bags of coffee to New York by the national s.s. Jacuhy, belonging to the Cia. Commercio e Navegacao, in consequence of this company having been instructed by the representatives of the British Government not to receive this cargo under penalty of being refused bunker coal and the company's s.s. Parana and Tibagy, now in Europe, being retained. None of the countries involved in the conflict made such a show of motives for entering in the struggle as England, in defence of the liberty and rights of Belgium. Its actual attitude towards Brazilian interests is a brutal negation of the sincerity of the spirit of human justice in the name of which the United Kingdom wages war to enrich herself.

These two precedents, limiting the liberty of commerce and navigation of Brazilian firms within Brazil itself, put national life in the power of England.

The nation should view the sacrifices that congress is now exacting for satisfaction of foreign obligations from the point of view of these episodes. For the first time in history the subordination (vasalagem) of Brazil to a foreign country has become a danger. We must react with the serene firmness that the dignity of our patriotism demands.

Bravo! Bravissimo!



Under the title «An Intolerable Situation,» the «Correio da Manhã» enlarges on the same topic as follows:—

«The weak and vacillatory attitude of our Government in face of the acts of prepotence practised by England against the rights of national sovereignty is producing its inevitable effects. Encouraged by our inactivity, the agents of British power does not even disguise its contempt for Brazil, which they treat as a conquered country, issuing arbitrary decrees without any consideration for the laws of the country. For some time past the Black List has been discussed in the columns of the «Correio», and the manner in which vital interests of Brazilian commerce are affected has been demonstrated by the boycott organised by British consuls contrary to the principles of the Brazilian Constitution that secures to both nationals and foreigners domiciled in this country equal rights to carry on business so long as they conform to the rules and regulations legally established.

We are now in receipt of yet another consular pastoral, issued at Porto Alegre, in which that functionary of the British Government, without any respect for the country to which he is accredited, warns our merchants against entering into negotiations with firms included in the Black List, under penalty of themselves being blacklisted. But, even this offence to the spirit of national sovereignty and insolent attempt to restrict the rights of traders secured by Brazilian law is aggravated by the incorrection of H.B.M.'s Consul's attitude by the following advice addressed to Brazilian merchants:—

«It is unnecessary to lay stress on the fact that neutral commerce has everything to gain from the inclusion of competitors in the Black List.»

Putting aside the lack of tact of the representatives of British power at Porto Alegre, it is impossible to deny that amongst neutral countries Brazil has been treated with particular disdain by Great Britain. Invading the field of public law, British authorities convert Brazilians of Teutonic origin into enemy subjects and virtually intern them in concentration camps with the consent of our diplomacy. Brazilian mails are violated and our Government paralysed by panic, contents itself with simply requesting that such mail bags shall be delivered to the Brazilian Legation at Havre, against which other chancelleries, victims of similar abuses, vigorously protest. Brazilian vessels are stopped on the high seas on voyages between neutral countries and forced to discharge in British ports. German subjects are taken from aboard Brazilian steamers and whilst the British Government puts German subjects arrested on American steamers at liberty, no satisfaction is obtained by our diplomacy. The British squadron converted the Abrolhos into a naval base as comfortable as Spithead. British Consuls organise commercial boycotts and arrogantly forbid Brazilian merchants from trading with enemy subjects. Their audacity gives them impunity: a few days ago a British consul notified the directors of the Cia. Comercio e Navegação to discharge 3,000 bags of coffee loaded in one of their steamers and despatched by a firm in this market to New York, under pain of bunker coal being refused and finally of capture by British cruisers, should the company persist. Moreover, it was pointed out that two of the steamers of the company actually en route for Europe would be seized. The fact that the company was obliged to submit to the imposition of H.B. Consul gives some idea of the level to which this country's international relations have fallen when the consul of a foreign country can order goods of Brazilian origin, exported to a neutral country, to be discharged in our harbours under threat of capture of the merchandise, etc.

To put a stop to what the «Correio» dubs «An intolerable situation», our Teuto-Brazilian contemporary proposes the co-operation of the A.B.C.

By a coincidence, the same day the above article appeared in the «Imparcial» and «Correio da Manhã», we received copies of the «Times of Argentina» of 19th June, according to which protests against the attitude of British consuls, couched in almost identical language, appeared in «La Union», a Buenos Aires paper run by Germans for publication of German news and war views since war was declared.

The value of such protests from such sources can be appreciated by the failure of any really neutral organs in this country or Buenos Aires to endorse the opinions of «La Union», «O Imparcial» and the «Correio da Manhã», all in the pay of the Germans.

As regards the establishment of a naval base near the Abrolhos outside national waters, there is nothing whatsoever in international law to protest against. The sea is free for the Allies to use as they please until by common agreement, international law can be stretched to cover much wider areas. The British squadron has just as much right to lie off the Abrolhos as any other, not excepting the Brazilian, as of course the Brazilian authorities know and recognise.

As regards the seizure of mails on neutral steamers, there may be more grounds for complaint, but so long as mails are used as they have been in this country, as cover for contraband, occasional interference seems inevitable.

The Black List, as we have repeatedly pointed out, is the only alternative to complete prohibition of trading between British any enemy subjects and their associates in neutral countries.

It is incomprehensible that whilst forbidding direct trading between British and enemy subjects in neutral countries, indirect trading through neutrals should be winked at.

There is no wish or intention to interfere with really neutral trade, but it is the firm intention of all the Allies to put a stop to trading with objectionable enemy subjects anywhere to bring this disastrous war to an earlier close.

The Black List is the only means of discriminating between really neutral and enemy subjects in neutral countries.

The three German organs inveigh against the warning issued by British consuls against lending themselves as cover for the international transactions of enemy residents, but in ordinary fairness they were compelled to warn Brazilian and Argentine firms of the consequence that such attempts to ship goods in British bottoms or in any other bottoms to or from British ports would inevitably entail.

Otherwise the Black List would be a mockery, seeing that enemy firms could come to arrangements with neutrals to carry on their entire business under fictitious names. The reason that some neutral firms figure on the Black List to-day is because they have embarked in this kind of business and the consular warning is intended to prevent others from following an example fraught with similar consequences.

As regards the supply of bunker coal to neutral steamers carrying enemy cargo, whether to neutral or British ports, the right of the Allies is indisputable. In another column we print the opinion of an American legal authority, which is conclusive. The jurisdiction of the British Government extends to all its subjects wherever they may be. Consequently coal owned by a British firm in this country is under the control of the British Government, who may dictate to whom and for what purposes it may be disposed of, barring, of course, expropriation by the Brazilian and Argentine Governments for national purposes.

Some little time ago the Argentine Government did make an attempt to prevent coal being taken out of the country by



limiting supply of bunker coal to requirements to reach the nearest port. This, however, has been cancelled, the Argentine Government having come to the conclusion that it was counteractive.

The freedom to trade Philo-German papers insist on is freedom to trade not between neutrals but with the enemy in neutral countries. It is not a national but an enemy issue, seeing that even if made so by the law of neutral countries and British subjects in these countries were forced to sell to neutral and enemy subjects alike, nothing except fixing the maximum price could prevent the British concerns that control the coal and jute industries from discriminating between enemy and really neutral subjects or from cutting off supplies to such countries entirely.

The right Great Britain claims, in the prosecution of the war forced on her by German ambition, is simply to discriminate against enemy subjects wherever they may happen to be domiciled, by prohibiting trading between her own and enemy subjects in goods or materials of her own production or manufacture and the transport of such goods in British bottoms.

Far from the prohibition of trading between enemy and British subjects in these countries involving an invasion of the sovereignty of neutral countries, the rights of neutrals to trade freely amongst themselves is not only respected but positively protected and encouraged by the Black List, as H.B.M. consuls point out.

The right to control, in the interests of the Allies, certain trades that depend on raw material, of which Great Britain enjoys a virtual monopoly, has not only generally been admitted, but conventions have been entered into between American manufacturers and the British Government not to re-export certain commodities, such as rubber, wool, and tin, in any form to enemy countries or to blacklisted firms, without consent of Great Britain on pain of supplies of raw material being stopped altogether.

It is not on force that the Empire relies to bend even neutrals to her will, but on the legitimate control of her own unrivalled resources in money and materials produced within its own borders, that a century ago brought Napoleon to his knees and will bring this struggle likewise to a victorious conclusion.

As to the threat to capture steamers on the high seas that engage in the transport of enemy cargo between neutral ports, that may be dismissed as pure invention, seeing that there could be no such intention of capturing coffee that was never embarked!

To live on good terms with the Mistress of the Seas all really Brazilian traders have to do is to refrain from oversea dealings with enemy subjects. Within their own country they are free to deal with Germans or any other enemy subjects, but not in British goods or in freights by British bottoms, and the sooner they come to that conclusion the better for them in every way. Brazilians, as H.B.M. Consul at Porto Alegre points out, stand only to gain by the Black List and to lose by kicking against it.

**Supply of Bunker Coal to Neutrals.—An American Opinion.** The German arraignment of Great Britain, presented in the last note responding to our demand for the cessation of illegal submarine warfare, contained this count:

Great Britain again and again has violated international law, surpassing all bounds in outraging neutral rights. The latest measure adopted by Great Britain, declaring German bunker coal contraband and establishing conditions under which English bunker coal alone is supplied to neutrals, is nothing but an unheard-of attempt by way of

exaction to force neutral tonnage into the service of British trade war.

A wireless despatch from Berlin last Tuesday gave specifications in the indictment as follows:

Advices from the Hague state that the Dutch steamer Waal, with coal from Cardiff to Bizerta and on the return voyage with phosphates for Holland, was refused bunker coal on April 27 at Cardiff if she would not agree to take freight for England and France after calling at Bizerta.

The steamers Helena, which has been at Las Palmas since May 3, and Elizabeth, which will arrive at Las Palmas on May 11, both coming from Rosario with grain for Rotterdam, will only be permitted to take on bunker coal if they call at British ports, the advices add.

These, and perhaps similar instances, constitute this phase of the German case against England. Leaving aside the question of expediency, the question arises, Does such action in fact violate the rights of neutrals as defined by international law? To the layman the answer appears reasonably plain. Logically, if England is willing to pay the price, as figured in terms of neutral friendship or what not, it seems apparent that she may legally reserve complete liberty of action in such a matter and that therefore she is following a course which is justifiable under the circumstances.

By way of illustration, take a hypothetical case, so that the matter may be put in better perspective and removed from the range of present emotions. Suppose, then, that the United States became involved in a war; that, nevertheless, its ports were kept open to commerce, and that neutral nations continued to carry on trade, in accordance with international law not only with this country but with its enemy as well. Then suppose that vessels of these neutrals, trading between their home and some other foreign country, were to call at an American port for coal or other materials. Would not the United States be justified in assuming that the furnishing of supplies to these ships would be against its own interests and an indirect aid to the enemy, and therefore to be refused or to be permitted at the will of the authorities on any terms which they might care to exact? Would it not be proper, perfectly proper, for this country, in such a situation, to say to the neutrals: "Continue your trade, so long as it is legal, but without assistance from us except on our own terms?" Or, suppose shipping was scarce and we were not getting all the goods we wanted and made it a condition of giving coal to neutral ships that they agree to carry goods to the United States upon the return voyage. Would not that likewise be a proper safeguarding of American interests?

That, apparently, is a parallel to Great Britain's position, and the answer would certainly seem to be in the affirmative. It becomes a matter of expediency. What of the legal aspects of the case?

The question was put last week to an eminent authority on international law. His conclusion corresponded closely with what seemed to the layman to be the logical one. "It is my opinion," he said, "that Great Britain is entirely justified in refusing bunker coal to neutral vessels or in fixing the terms no matter how harsh, upon which she will allow them to have it, save only in those cases in which the vessels concerned are engaged in trade direct between their home ports and the ports of the United Kingdom, and no other. A liberal construction of the treaties with which I am familiar would, under the last-named conditions, perhaps require that such vessels be supplied with sufficient coal to make their home ports. But even that is not specifically stated in any treaty so far as I am aware, and is itself a debatable question. From the legal standpoint, I believe her action is entirely justified and that she is well within her rights."

## THE FINANCIAL POSITION.

## LIQUIDATION OF OUTSTANDING OBLIGATIONS.

## Obligations—Table A

	Gold	In Contos of Reis Paper	Gold	Paper	Paper at 12d.
As per Diario Official, 4th May, 1916, p. 5,396, prior to 1915.....	—	—	36,359	311,285	—
Ditto, posterior to 1915 .....	—	—	—	58,551	—
Service of foreign debt £4,147,709 (ex guarantees £800,000) .....	—	—	36,869	—	—
Premium on gold, 125 per cent. (12d.) .....	—	—	91,535	164,763	534,599

## Payments to 26th April, 1916—Table B.

Treasury Bills, Diario Official, p. 5,396 .....	36,340	170,000	—	—	—
Funding Bonds, guarantees £500,000, D Official p. 5,396 & 5,410 .....	4,444	—	—	—	—
Ditto, service of foreign debt, ex funding, 1908, Diario Official, p. 5,410 .....	32,423	—	—	—	—
Cash (paper money) .....	875	18,759	—	—	—
Internal Bonds or Apolices .....	—	13,611	—	—	—
Balance outstanding, 26 April, ut supra .....	74,082	202,370	—	—	—
Premium on gold, 125 per cent. (12d.) .....	92,602	166,687	—	—	369,057
Balance outstanding, as stated on p. 5,396, D. Official, as follows					
Outstanding, 31st March, 1916—Table C .....	6,222	156,189	—	—	—
Paid in April .....	—	8,585	—	—	—
Outstanding unpaid to 26th April, 1916 .....	6,222	147,604	—	—	—
Premium on gold, 125 per cent. (12d.) .....	7,778	14,000	—	—	161,604

Difference between two statements ..... 3,038  
 Conclusions:—Of the total of Rs. 161,642:000\$ paper outstanding on 26th April, 1916, the first two of the obligations are nominal and may be postponed.

Treasury liabilities with other Departments .....	Contos paper 30,000	—			
Security for deposits at Caixa de Conversão resulting from raising rate for conversion of notes from 15d. to 16d. ....	19,200	49,200			
Payable on liquidation—Recorded claims .....	—	21,494			
Ditto, claim of Rio Grande Port Works Co. ....	—	40,500			
Margin for contingencies .....	—	20,000			
	—	131,194			

Deducting from the total outstanding the first two items, the amount payable on demand, including contingencies, would be Rs. 115,442:000\$ paper.

## Issues August, 1914, to 31st March, 1915—Table D.

	Gold	Prem at 12d.	Equivalent at 12d.	Paper	Total at 12d.	
Treasury Bills .....	36,340	45,425	81,765	170,418	252,183	30.5
Funding .....	36,869	46,086	82,955	—	82,955	10.1
Paper Money .....	—	—	—	426,000	426,000	51.6
Apolices or Internal Bonds .....	—	—	—	64,658	64,658	7.8
	73,209	91,511	164,720	661,076	825,796	100.0

## Table F—

## Payment effected in different species to end March, 1916.—Table E

	Gold	Prem. at 12d.	Equivalent at 12d.	Paper	Total at 12d.	1916	Total
Treasury Bills .....	36,340	45,425	81,765	170,418	252,183	—	252,183
Funding Bonds .....	36,869	46,086	82,955	—	82,955	—	82,955
Cash (paper money) .....	875	1,093	1,968	14,442	16,410	4,306	20,716
Apolices or Internal Bonds .....	—	—	—	9,332	9,332	4,278	13,610

Treasury Payment effected with emergency issue of 1914, balance due by banks included ..... 74,084 92,604 166,688 194,192 360,880 8,584 369,464  
 250,000

Notes redeemed by Treasury ..... Total ..... 619,464  
 10,000

Net paid or advanced ..... 629,464

Obligation prior to 1915 as per Table A ..... 534,599

Ditto in 1914 ..... 250,000

Balance available for issue ..... —

784,599

\*155,357

784,821

\*According to the Diario Oficial of May 4th, p. 5,396, the balance of Treasury liabilities previous to 1915 was Rs. 6,222,222\$ gold and Rs. 156,189,225\$ paper, equivalent at 12d. to Rs. 170,189,000\$, of which Rs. 8,585,000\$ paid in April, leaving Rs. 161,604,000\$, as against Rs. 155,357,600\$ as stated above and 164,642,000\$ in Table A, differences, which are slight, being due to 10,000\$ of paper money cancelled by the Treasury not having been included. In any case results are close enough to justify conclusions.

Analysing the above figures some discrepancies will be found that require explanation:—

**Treasury Bills.** There is a considerable discrepancy between different statements in the Diario Oficial that we have been unable to reconcile, but have adopted that on p. 5,397 for our own guidance, as it is impossible that all the gold Treasury Bills in reality can have been paid off, as shown in Tables D and E.

	Gold	In Contos of Reis Prem. 125%		Total at 12d.
According to statement, p. 5,397, the value of Treasury Bills paid out in liquidation of Treasury deficiencies to 31st March, 1916, was as follows, at 12d. ....	24,817	31,022	111,866	167,705
Substitution of bills payable in paper for gold at 16d. ....	11,523	7,922	—	19,445
Total .....	36,340	38,944	111,866	187,150
Adding difference between 16d. and 12d. on 11,523,000\$. ....	—	—	—	6,481
Total .....				193,630
Total as per Diario Oficial, p. 5,397—Table G—				
On p. 5,397, the amount of Treasury Bills issued to 31st March, 1916 at London is stated at .....	8,622	10,340	—	18,968
Ditto at Rio .....	27,718	35,079	170,418	233,215
Redeemed by Treasury .....	36,340	45,425	170,418	252,183
Outstanding, 26th April, 1916 .....	36,340	45,425	51,204	132,969
Exchanged for Apolices (Internal Bonds) and paid in cash April. ....	—	—	8,885	8,885
In circulation on 27th April, 1916 .....	36,340	45,425	42,319	124,084

The difference in the amount issued to 31st March between the two statements, Tables F and G, as shown above, amounts to Rs. 68,547,000\$ we are unable to account for.

**Funding Bonds.** Page 5,396 of the Diario Oficial puts the amount issued for settlement of Treasury obligations prior to 1915 at 4,444,000\$ gold, equivalent to £500,000, employed in payment of railway guarantees. In addition to this £4,147,709 or 32,423 contos gold were issued for service of the foreign debt for 1914, of which no note has been taken in calculation of obligations prior to 1915 nor of the issues by which this item of expenditure was met, thus raising the total issue of these bonds to 36,806 contos, equivalent at 12d. to 82,948 contos paper.

#### Paper Money.—

	Contos paper
Authorised by law, August, 1914 .....	250,000
DiDito, August, 1915 .....	350,000
	600,000
Issued (Diario Oficial, p. 5,414):—	
1914 To meet Treasury discrepancies .....	150,000
„ Emergency loans to banks .....	100,000
1915 To meet Treasury deficiencies .....	134,915
„ Loaned Bank of Brazil .....	30,000
„ Payment of fractions of Treas. bills.....	85
„ In aid of agriculture .....	11,000
	426,000
	174,000
Cancelled by Treasury (1914 issue) .....	10,000
	164,000
In hand at Treasury .....	25,000
Available for issue .....	139,000

Of the emergency loan of 1914 the banks have repaid 85,901 contos by Treasury Bills, but the equivalent has not been cancelled, but utilised for cover of Treasury deficiencies. The balance of 15,099 contos due from the banks is guaranteed by deposit of securities to value of 27,194 contos.

According to the Diario Oficial, page 397, the different issues of paper money were effected as follows:—

1914 .....	232,500
1915 .....	160,000
1915 .....	33,500

426,000

#### Internal Bonds or Apolices were issued for the following

objects:—	
In substitution of Treasury bills payable in paper .....	15,419
Liquidation of obligations prior to 1915 .....	10,984
Payment of Lloyd Brasileiro .....	691

	11,675
Treasury deficiencies 1915 .....	17,742
	29,417
Railway and other contracts to 31st March, 1916 .....	18,706
	63,542
In April, in exchange for Treasury bills .....	4,278
	67,820

\*This agrees pretty closely with total in Table B, but not with page 5,410 of Diario Oficial.

Total, March, 31st 1916 .....	808,725
Ditto, December 31st, 1914 .....	758,672

The difference may be one of dates 50,053

#### CONCLUSIONS.

Of the total obligations amounting to Rs. 534,599,000\$ paper outstanding on 4th May last, inclusive of the service of the foreign debt in 1914, Rs. 369,957,000\$ appear to have been paid off, leaving a balance of Rs. 164,642,000\$ to be yet settled.

This result was attained, as shown by the foregoing tables, by issuing securities and paper money to the value of Rs. 825,796,000\$ paper, of which 51.6 per cent. in Paper money, 30.5 per cent. in Treasury bills, 10.1 per cent. in Funding bonds and 7.8 per cent. in Internal bonds or apolices. Of these issues 86.9 per cent. were applied to liquidation of Treasury obligations and 13.1 per cent. as loans to banks and agriculture.

Of the total issues, £26,000,000\$ or 51.6 per cent consisted of paper money entails no charge for interest, but on the Rs. 399,769,000\$ of securities the charge for interest amounts to Rs. 22,510,000\$ paper per annum or, exclusive of the service of the foreign debt, to Rs. 18,622,000\$ paper, but including amortisation of Treasury bills, repayable at latest in 1918, to 271,435,000\$ paper.

Distrustful of the effect on exchanges of further large issues of paper money, the Government at first set its face against them and resolved to pay off obligations by means of further issues of securities. Circumstances, however, proved too strong and gradually the policy was reversed and already over half of the payments have, in spite of all resolutions, been effected in paper money.

This, however, is regarded by Government as a temporary expedient, a further issue of 190,000,000\$ in apolices having been authorised for substitution of fiduciary issues by Internal bonds, whereby, if carried into effect, the service of the outstanding Treasury bills and apolices issued since July, 1914, and proposed to be issued would be raised to 28,000,000\$ paper.

In contradiction to the policy deliberately adopted by Government, Treasury bills, moreover, are even now being paid off in paper money, which leads to the conclusion that the Government has in reality abandoned any definite policy, or adapts it to the necessities of the moment, issuing paper money or apolices or both indifferently. Such a system, or lack of system, can only tend to confirm and confound the position in the long run.

In the opinion of competent authorities instead of attempting to pay off outstanding obligations in securities, it would have been wiser to have frankly issued paper money to the amount required, even at the risk of a fall of exchange, inevitable in any case should the policy of piling up interest-carrying debt be insisted on.

Exchange might have fallen in consequence, though so far it has not done so; but, whether paid in paper money or apolices, the effect as far as foreign exchanges are concerned would have been the same, seeing that the amount due to foreign creditors has been liquidated by sale of the very securities in which they were chiefly paid.

On 30th April last, the nominal value of notes in circulation (convertible and inconvertible) amounted to Rs. 1,130,138,496\$, as against the previous maximum of Rs. 1,026,069,000\$ in 1913.

Between May and September, 1914, exchange slumped from nearly 16d. to 11 27-32d., in face of reduction of the currency by Rs. 116,536,000\$, consequent on the withdrawal of gold from the Caixa de Conversão and enormous remittances to Europe.

Had paper money been issued from the first for payment of all outstanding obligations, we doubt very much whether the addition of even 200,000,000\$ to actual issues would have materially affected exchanges.

The war has upset all calculations and radically affected the character of the demand for bills.

At first the pressing demands of Europe forced exchanges down, but, as commercial indebtedness was gradually liquidated, a state of unstable equilibrium was realised. The critical time for exchange will come after the war, when many Brazilians will return to Europe and their demand and tourists', will become once more a factor. What the course of prices may be it is impossible to say, but unless prices rise in consuming markets in proportion to the increase of taxation to meet the increase of 27,000,000\$ in the service of the home debt and of the foreign debt on the resumption of specie payments, exports will be liable to decline and exchange too.

The industrial classes are over-taxed already. Increase of taxation on production will only make competition with other countries after the war more difficult and tend to depress exchanges.

Instead of raising taxation, it should, if anything, be reduced and exchanges be left to seek the level that international interchange dictates. The problem is, of course, complicated by the renewal of specie payments on the foreign debt in 1917, at present, at best, somewhat problematical and difficult in any case to maintain unless economic conditions radically improve.

Whatever its source, taxation whether of the producing or consuming classes or of capital, must be paid in paper money,

for conversion into gold for international purposes through the medium of bills of exchange.

Unless, therefore, the supply of bills suffices to meet all foreign engagements, exchange must fall, howsoever taxes may be augmented. But the supply of sterling bills itself depends on the prices ruling in consuming markets for exports and on the demand for imports and for financial bills which together control exchanges.

It is an endless chain—a vicious circle from which there is no exit except through equilibrium between the supply of bills that further taxation would tend to depress, and the demand that any attempt at renewal of specie payments would augment.

By allowing exchanges to seek their own level, imports would be checked, but national industries be stimulated, the demand for import bills be restricted and the emigration of capital and of tourists, etc., be checked likewise, and the balance thus tend to redress itself, so long as the volume and value of exports increased *pari passu* with obligations.

## MONEY

Official Quotations, Exchange Camara Sydical and Vales at Banco de Brazil:—

	90 dys	Sight	Sovs	Vales
Monday, 26 June ...	12 11-32	12 15-64	19\$800	1\$928
Tuesday, 27 June ...	12 21-64	12 7-32	19\$800	2\$207
Wednesday, 28 June .	12 11-32	12 15-64	19\$800	1\$928
Thursday, 29 June ...	Holiday			
Friday, 30 June .....	12 21-64	12 7-32	19\$800	1\$928
Saturday, 1 July ....	12 11-32	12 15-64	19\$900	2\$207
Average .....	12 11-32	12-15-64	19\$800	2\$040

Caixa de Conversão. Gold in deposit, Rs. 75,230,952\$, equivalent to £5,015,397. Notes in circulation, Rs. 94,559,930\$.

Cable rate, London on New York:—June 26th, \$4.76 7-16; 27th, \$4.76 7-10; 28th, 30th, and July 1st, \$4.76 7-16.

Cable rates, Rio on New York:—26th, 4\$135; 27th, 4\$130; 28th and 30th, 4\$140; July 1st, 4\$145.

Monday, 26th June. Banks opened at 12 3-8d., offering to take at 12 15-32., with little money and no bills. The market closed with some banks quoting only 12 11-32d.

Tuesday, June 27th. All banks opened at 12 11-32d., offering to take at 12 15-32 and later on at 12 7-16d., without success. Market paralysed.

Wednesday, 28th June. Banks opened and closed quoting 12 5-16d. and 12 11-32d. for drawing and 12 13-32d. for taking. No money offered under 12 3-8d. and no bills over this rate. Market paralysed.

Thursday, 29th June. Holiday.  
Friday, 30th June. Banks opened and closed at 12 5-16d. to 12 11-32d. for drawing and 12 13-32d. for taking; nothing doing.

Saturday, July 1. Banks opened at 12 5-16d. and 12 11-32d. for drawing, offering to take at 12 13-32d.; towards the close 12 3-8d. was obtainable in some banks, with small business doing in commercial at 12 7-16d.; market quiet.

Few bills reported from coast ports.

At Santos on Saturday 12 13-32d. was quoted for bills, the first time for the week, but nothing doing.

Rio de Janeiro, 2nd July, 1916.

Ninety days' rate on London closed on Saturday, 24th June, at 12 23-64d., opened on Monday, 26th, at 12 3-8d. and after dropping to 12 5-16d., closed on Saturday, 2nd, at 12 3-8d. No bills offering from coast ports.

A considerable demand for telegraphic transfers and sight bills is reported, apparently for S. Paulo Government account, as well as in anticipation of remittances of coupons on apolices and dividends.

Commercial requirements are said to be filled to end of year, but should exchange weaken a fresh demand would spring up.

The sale of 200,000 bags of Campos sugar, however it may be criticised from the economic point of view, is, no doubt, a point in favour of exchange. Payment will, it is understood, be

spread over three months and be effected in Buenos Aires in Brazilian money.

As regards general tendencies, there is little to add. Coffee prices are falling steadily here and in consuming markets and embarques very small, their value for the week under review being only £103,000 as against £197,000 for previous week.

Scandinavia is almost entirely out of the market and even to France shipments seem likely to fall off should the S. Paulo Government continue to offer valorisation coffee at Havre. At Rio No. 7 slumped from 7\$286 per 10 kilos on 24th May to 6\$264 on 27th June or 14 per cent. and good average over 15 per cent., whilst New York Sept. options from 8.84c. dropped 12 per cent. to 7.78c. on 29th June. There may, of course, be a recovery later on, but at present the prospects of coffee are scarcely cheerful.

Exchange usually follows coffee, because a decline in coffee prices as a rule depresses the sterling value of exports and upsets the balance of payments. It is possible that this year the tendency may be counteracted by a corresponding shrinkage of imports, which are becoming daily more difficult, many lines being absolutely prohibitive from Gt. Britain and France and unobtainable except at prohibitive prices even from the United States. To take dynamite as an example, a large gold mining concern is said to have enough only to last to the end of the year and no prospects of getting more except at unremunerative prices and there must be several other industrial undertakings in a similar position. Even when the war is over it will be some time before commercial relations can be re-established on the old footing.

Last year over 6,000,000 bags of coffee were shipped to the United States, of which a good deal was re-exported.

What are shipments likely to be this year with Holland and Scandinavia closed to American re-exports and a fair if not large crop in sight this season and, barring frost and accident, possibly a record crop next year? As for prospects of exchange, we can see no reason to expect any but temporary improvement, especially should Government require to take heavily from the market in preparation of renewal of specie payments in August next year.

#### Revenue Collected in Rio de Janeiro District by Customs and Recebedoria—in Contos of Reïs.

	June, 1916			May, 1916	
	Received Gold	Diff. Exch.	Received Paper	Total Paper	Paper
From Imports .....	2,013	2,313	3,138	7,464	6,994
Deposits .....	42	48	110	200	275
Consumption dues collected at Customs.	—	—	419	419	424
Total Customs .....	2,055	2,361	3,667	8,083	7,693
At Recebedoria .....	—	—	—	4,470	2,468
Grand total .....	—	—	—	12,553	10,161

#### Six Months, January-June.

	1916 Paper	1915 Paper	1915-16 Diff
Derived from Imports .....	37,431	31,400	+ 6,022
Deposits .....	1,190	851	+ 339
Consumption Dues collected at Customs .....	2,400	638	+ 1,762
Total Customs .....	41,021	32,898	+ 8,123
At Recebedoria .....	22,290	18,566	+ 3,724
Grand total .....	63,311	51,464	+11,847
1915 .....	51,466	—	—
1914 .....	66,817	—	—

Differences of exchange average for May 1.194 per cent.

Reducing gold to paper at the average exchange of 2\$194 revenues in the aggregate show an increase compared with the

month of May of Rs. 2,392,000\$ or 23.5 per cent. Customs revenue shows an increase of Rs. 390,000\$ or 5.0 per cent. and Rs. 2,760,000\$ or 80.1 per cent. at the Inland Revenue Office.

Compared with the six months, January-June, last year, Revenues show an increase in the aggregate of 11,847 contos or 23 per cent., of which 8,123 contos at customs and 3,724 contos Inland Revenue, the increase at the Customs being 24.6 per cent. and Inland Revenue 20 per cent.

These returns refer to the Rio district only. Without returns for the other customs districts, it is impracticable to come to conclusions as to the course of revenue in general or its distribution.

It is, however, satisfactory to see that both Customs and Inland Revenue in this district show an unquestionable increase compared with first half of 1915, inspite of the difficulties the war has created for imports.

## COFFEE

Entries at the two ports for the week ended 29th June were 11,634 under previous week's, being an increase of 12,238 bags at Rio, but shrinkage of 23,872 at Santos and 27,861 bags more than for corresponding week last year.

For the crop to 30th June, entries at Rio amounted to 3,284,780 bags, 11,744,491 at Santos, as against 3,587,768 and 9,497,553 respectively last year and correspond very closely with our estimate of 3,250,000 for Rio and 11,500,000 for Santos for 1915-16 crop.

A good deal of rain has been falling on the coast but does not seem to have extended to the interior of either Minas or S. Paulo.

Clearances at the two ports were small last week, but for the crop to 29th June show increase of 1,605,862 bags and £2,618,756 in f.o.b. value. For the week f.o.b. value works out at £2,258 per bag as against £2,344 for previous week.

Embarques at the two ports for the week under review were smaller than previous week's, their f.o.b. value at £2,258 per bag amounting to £103,000, against £197,000 for previous week.

Sales at the two ports during the week under review were 11,203 bags smaller than previous week and 32,051 than the corresponding week last year.

Stocks at Rio and Santos on 29th June were 1,092,612 bags, an increase of 166,870 bags, of which 16,326 at Rio and 150,544 at Santos.

Of the total of 66,977 bags sailed from the two ports during the week under review, 32,100 left for the United States, none for Scandinavia, 26,984 for the rest of Europe and Mediterranean, 3,717 for River Plate, 2,555 for Pacific ports and 1,621 bags coastwise.

Quotations dropped heavily again all along the line, but particularly at Havre, where the sales of valorisation coffee seem to have produced a disastrous effect, the decline since 16th June being at the rate of 8 per cent. as against only 5.4 per cent. at New York.

	Av. for week	Clos Sat, 1 July
Rio No. 6 per 10 kilos .....	6\$536	6\$468
No. 7 .....	6\$332	6\$126
No. 8 .....	6\$060	5\$923
No. 9 .....	5\$787	5\$561
Santos—Superior .....	6\$825	—
Good average .....	5\$125	—
Type No. 6 .....	5\$425	5\$400
New York Options—July .....	7.75c.	—
September .....	7.92c.	7.80c.
December .....	8.07c.	7.98c.
March .....	—	8.13c.
Havre Options—July .....	70f.55	68f.00
September .....	70f.40	68f.50
December .....	68f.16	66f.75
March .....	—	65f.75
London—July options .....	45/6	45/6
December .....	47/3	47/

**Correction.** The manifests for Rio and Santos for coffee shipments during the month of May show a total of 1,004,473, of which only 54,733 bags or only 5.4 per cent. were shipped by the following blacklisted firms:—

Almeida, M. da Costa .....	Bags 7,000
Duach and Co. ....	225
Dias Garcia and Co. ....	2,800
Diebold and Co. ....	2,621
Ferreira, J. G. ....	2,500
Ornstein and Co. ....	1,050
Eugen Urban and Co. ....	29,760
Wille, Theodor and Co. ....	8,777
	<hr/> 54,733

Of the above shipped in neutral bottoms, 14,100 bags went to the United States.

**Europe Seils Coffee.** Europe again sold coffee, causing prices to recede 3 to 5 points on sales of 23,250 bags. The continued realising from this source—a good profit being involved—causes surprise in some circles because of the fact that peace reports fill the air. If there is to be an early end of the war, German selling of futures is hard to reconcile, for logically buying would be in order since, according to the general view, coffee is one of the few commodities which should have its innings after the close of the conflict. The Central Powers have been shut off from Brazil of late months—even via the Scandinavian route—because of the embargo forced by Great Britain—and replenishment at the first opportunity seems certain. The liquidation from abroad has been fully 100,000 bags, and yet some circles believe that there is fully as much more still in hand accumulated since the outbreak of the war. It is possible that the German holders have retained a part of the coffees, with the idea that in the event of peace not materialising in the near future opportunity will be afforded to repurchase cheaper when the new Brazil crop movement is in full swing. This is delayed, as the current receipts at primary points indicate, which explains the strength in Santos, where shippers are materially above the local parity. The effect is to check buying from the United States where importers are waiting for the recession that they consider inevitable. It is suggested that, contrary to expectations, the next crop will be large, the weather having been more favourable for the bean. Planters have made money and hence there has been an incentive to push the production. More trees are coming in, especially in the newer sections, which will tend to swell the crop in Santos.—The New York «Journal of Commerce», 29th May.

—Circular of Minford, Lueder and Co., June 2nd, 1916:—The demand for spot coffee is very limited, without any quotable change in prices, but they are, for the ordinary run of coffees, nominal. There is a little decrease in the visible supply for the United States from last week. Deliveries, notwithstanding the dull trade are good, probably mostly ex ship lots for interior importers. Being now within a month of the new crop, as often happens, we are having a waiting market and little change can be expected during the month, unless a rapid decline in freight and cost prices should take place, which may happen, as prices asked in Brazil are much too high to attract buyers. With shipments to Europe very difficult, except to France, there may not be the usual demand for Europe for the new crop, in which case the United States would be the principal large outlet, and to a certain degree might dictate prices. The estimates of the 1916-17 Santos crop show the usual wide differences of opinion and range from 9½ to 10½ million bags. The quality and bean are reported to be good and owing to the good bean, we rather favour the idea of a 10¼ to 10½ million bags crop. The figures as to the world's visible supply on June 1st are not yet available; indications point to a decrease of about the same as last year, which was 746,742 bags. The market should be carefully watched during the next 30 days, as purchases well made in June generally pay a good profit in the more active season between July and October. We believe that reliable signs of peace will promptly bring about a substantial advance, but whether it would be temporary would depend upon more accurate statistics as to stocks and the buying ability of the warring countries.

The tendency of firm cost and freight offers has been towards lower prices. Most of the Santos offers have been for future shipment. The cheapest have been 10.60c. for 4s, regular shipment, 9.80 to 10c. f.o.b. for future shipment, London credits and Rio 7s at 9 1-4c., American credits. Very few transactions have been accomplished.

Deliveries of Brazil coffee in the United States for the month off May were 497,580 bags against 490,785 bags in April and 487,977 bags in May last year.

The spot demand for milds continues poor, with more disposition to accept bids. The stock of milds in the United States is the largest on record and prices for some kinds have declined about a cent. The first hand or importers' stocks are not excessive and for Columbian coffees have at times been greater, but the second hand stocks are larger than usual and the inquiry too light to encourage holders to make further purchases. The present condition is the result of early purchases in anticipation of a good European export demand, which has not been realised and without that outlet, any good movement is difficult. The arrivals in the United States during May were 275,444 bags and the deliveries 219,077 bags. The stock on 1st June in public warehouses was 752,331 bags, against 550,506 bags a year ago.

Trading in coffee futures has been fairly good, with slight changes until Monday, when a moderate advance occurred. Since Wednesday the market has been quiet, with a sagging tendency. While we look for no important change in the near future, we advise beginning to buy on any decided decline, with the idea of averaging on weak days and gradually accumulating a long interest between now and the middle of July, but on reliable signs of peace, would invest promptly. To-day the market is quiet at from 10 to 14 points decline from last Friday's close.

## Coffee Statistics

### ENTRIES.

#### IN BAGS OF 60 KILOS.

RIO	FOR THE WEEK ENDED			FOR THE CROP TO	
	29 Jun. 1916	Jun 22 1916	Jun. 30 1915	Jun. 29 1916	Jun. 22 1915
Central and Leopoldina					
Ry.....	28,067	23,735	31,769	2,734,110	2,843,477
Inland.....	528	—	913	80,614	89,270
Coastwise, discharged ..	465	—	2,370	168,931	80,963
Total.....	29,060	23,735	35,052	2,989,655	3,013,660
Transferido from Rio to					
Nittheroy .....	89	—	2,277	72,961	49,228
Net Entries at Rio.....	29,971	23,735	33,775	2,916,694	2,964,428
Nittheroy from Rio &					
Leopoldina.....	7,002	—	7,791	332,754	393,246
Total Rio, including					
Nittheroy & transit.	35,973	23,735	40,566	3,249,448	3,357,768
Total Santos :	156,750	170,622	114,596	11,839,507	9,437,553
Total Rio & Santos.	182,723	194,357	155,162	14,889,255	12,835,321

The coast arrivals for the week ended June 29th, 1916, were from:—

The total entries by the different S. Paulo Railways for the Crop to June 29th, 1916 were as follows

	Past Jundiahy	Per Sorocabana and others	Total at S. Paulo	Total at Santos	Remaining at S. Paulo
1915/1916	9,571,583	1,978,661	11,550,244	11,639,807	—
1914/1915	7,848,212	1,657,561	9,505,673	9,497,563	—

### FOREIGN STOCKS. IN BAGS OF 60 KILOS.

	June 29/1916.	June 22/1916.	June 20/1915.
United States Ports ...	1,893,000	1,323,000	1,313,000
Havre.....	2,073,000	2,048,000	1,940,000
Both.....	3,976,000	3,371,000	3,253,000
Deliveries United States	94,000	144,000	62,000
Visible Supply at United States ports.....	1,896,000	1,467,000	1,497,000



## SALES OF COFFEE.

During the week ending June 29th, 1916.

	June 29/1916.	June 22/1916.	June 30/1915
Rio.....	12,185	18,391	27,749
Santos.....	37,090	42,000	53,490
Total.....	49,185	60,391	81,239

COFFEE LOADED (EMBARQUES).  
IN BAGS OF 60 KILOS.

	DURING WEEK ENDED			FOR THE CROP TO	
	1916 June 29	1916 June 22	1915 June 30	1916 June 29	1915 June 22
Rio.....	12,439	30,804	36,121	2,962,149	3,033,909
Nitheroy.....	6,111	—	1,155	340,151	391,368
In transit.....	—	—	—	—	—
Total Rio including Nitheroy & transit.....	18,550	30,804	40,306	3,302,300	3,425,277
Santos.....	27,231	53,357	84,767	11,234,064	10,997,863
Rio & Santos.....	45,781	84,161	125,073	14,536,364	14,423,140

## COFFEE SAILED.

During the week ending June 29th, 1916, were consigned to  
the following destinations:—  
IN BAGS OF 60 KILOS.

PORTS	UNITED STATS	EUROPE & MEDITER- RANEAN	COAST	RIVER PLATE	CAPE	OTHER PORTS	TOTAL FOR WEEK	CROP TO DATE
Rio.....	14,500	796	550	1,100	—	2,555	19,531	3,266,074
Santos....	17,900	26,188	1,041	2,617	—	—	47,446	11,379,610
1915/1916..	32,100	26,984	1,621	3,717	—	2,555	66,977	14,645,680
1914/1915..	13,659	57,858	9,171	6,734	—	—	117,422	12,729,060

## COFFEE PRICE CURRENT.

During the week ending June 29th, 1916.

	June 23	June 24	June 26	June 27	June 28	June 29	Ave- rage	Clo- sign July 1
RIO—								
Market N. 6 10k..	6.695	—	6.537	6.465	—	—	6.536	6.468
• N. 7	6.673	—	6.605	6.537	6.332	—	—	—
• N. 8	6.400	—	6.332	6.261	—	—	6.332	6.196
• N. 9	6.469	—	6.400	6.332	6.128	—	—	—
• N. 9	6.128	—	6.060	5.992	—	—	6.060	5.923
• N. 9	6.196	—	6.128	6.060	5.856	—	—	—
• N. 9	5.856	—	5.788	5.720	—	—	5.787	5.561
SANTOS—	5.924	—	5.856	5.788	5.582	—	—	—
Superior per 10 k..	6.900	—	6.800	6.800	6.800	—	6.825	—
Good Average .....	5.200	—	5.160	5.100	5.100	—	5.125	—
Base N. 6	5.509	—	5.400	5.400	5.400	—	5.425	5.400
N. YORK, per lb..								
Spot N. 7 .. cent.	—	—	—	9/-	—	—	—	—
• N. 8 ..	—	—	—	8 3/4	—	—	—	—
Options—								
• July....	790	785	778	770	767	760	775	760
• Sept....	806	800	798	785	785	775	792	798
• Dec....	822	815	811	804	799	792	807	813
HAYRE per 50 kilos								
Options..... francs								
• July....	—	72.00	71.25	70.50	70.50	68.50	70.55	68.00
• Sept....	70.75	70.75	70.50	70.50	70.00	68.25	70.40	68.50
• Dec....	69.75	69.25	68.50	68.00	68.00	66.50	68.16	66.75
HAMBURG per 1/2 k								
Options..... pfennig								
• July....	—	—	—	—	—	—	—	—
• Sept....	—	—	—	—	—	—	—	—
• Dec....	—	—	—	—	—	—	—	—
LONDON cwt.								
Options..... shillings								
• July....	46/-	45/9	45/9	45/8	45/8	45/-	45/6	45/6
• Sept....	47/-	47/9	47/6	47/-	46/9	46/9	47/8	47/-
• Dec....	47/9	47/9	47/6	47/-	46/9	46/9	47/8	47/-

## VALUE OF COFFEE CLEARED FOR FOREIGN PORTS.

During the week ending June 29th, 1916.

IN BAGS OF 60 KILOS.

	June 29	June 22	June 29	June 22	Crop to June 29/1916	
	Bags	Bags	£	£	Paise	£
Rio.....	28,951	7,660	41,713	16,860	3,331,332	4,476,617
Santos.....	46,405	126,688	105,831	298,064	11,903,610	23,621,360
Total 1915/1916..	65,356	134,348	147,544	314,944	14,334,942	28,097,977
do 1914/1915..	117,422	81,831	210,928	145,625	12,729,060	25,479,221

## OUR OWN STOCK.

IN BAGS OF 60 KILOS.

RIO Stock on June 22nd, 1916.....	193,761
Entries during week ended June 22nd, 1916.....	28,971
	222,732
Loaded «Embarques», for the week June 29th, 1916.....	12,439
STOCK IN RIO ON June 29th, 1916.....	210,293
Stock at Nitheroy and Porto da Madama on • Jun 22nd, 1916.....	9,526
• Afloat on June 29th, 1916.....	127,685
Entries at Nitheroy plus total embarques inclu- ding transit.....	25,562
	162,763
Deduct: embarques at Nitheroy, Porto da Ma- dama and Vianna and sailings during the week June 22nd, 1916.....	25,758
STOCK IN NITHEROY AND AFLOAT ON June 29th, 1916	137,005
STOCK IN 1st and 2nd HANDS AND THOSE AT NITHEROY and AFLOAT ON June 22th, 1916.....	347,298
SANTOS Stock on June 29th, 1916.....	625,195
Entries for week ended June 29th, 1916.....	146,760
	771,945
Loaded (embarques) during same week.....	27,231
STOCK IN SANTOS ON June 29th, 1916..	744,714
Stock in Rio and Santos on June 29th, 1916..	1,092,012
do do on June 22nd, 1916..	925,142
do do on June 30th, 1915.....	166,875

## MANIFESTS OF COFFEE.

RIO DE JANEIRO.

During the week ending June 29th, 1916.

21-A. LABOUCHE-B. Aires .....	Castro Silva & Co .....	1,100
21-ORITA-Valparaiso .....	McKinley & Co .....	1,300
Ditto .....	Castro Silva & Co .....	600
Ditto-Talcahuano .....	Castro Silva & Co .....	300
Ditto-Punta Arenas .....	Norton Megaw & Co.....	230
Ditto-Antofagasta .....	Castro Silva & Co .....	100
Ditto .....	Norton Megaw & Co.....	25
23-SEQUANA-Lisbon .....	F. Bruz .....	600
Ditto-Leixões .....	Pinto & Co .....	110
24-S. PAULO-New York .....	Theodor Wille & Co.....	7,000
Ditto .....	Stolle Emerson & Co .....	3,000
Ditto .....	Orinstein & Co .....	2,000
Ditto .....	Carlo Pareto & Co.....	1,000
Ditto .....	Eugen Urban & Co .....	750
Ditto .....	Roberto do Couto .....	500
Ditto .....	Hard, Rand & Co .....	250
26-LIGER-Bordeaux .....	Pinto & Co .....	500
Ditto .....	Atlas Coffee Co .....	125
Ditto .....	L. Strass .....	61
Total overseas .....		18,951
29-GOYAZ-Rio .....	Sequeira & Co .....	20
21-BRASIL-Pará .....	Theodor Wille & Co.....	100
Ditto .....	Castro Silva & Co .....	50
Ditto .....	Pinheiro & Ladeira .....	50
Ditto .....	Sequeira & Co .....	20
Ditto-Itacacatara .....	Eugen Urban & Co .....	50
Ditto .....	Theodor Wille & Co.....	50
Ditto-Mandós .....	Eugen Urban & Co .....	50
Ditto .....	Sequeira & Co .....	20
Ditto-Maranhão .....	Theodor Wille & Co.....	40
Ditto .....	Zenha Ramos & Co .....	20
Ditto-Paritinius .....	Pinheiro & Ladeira .....	50



23-SATURNO-Corumba	Ornstein & Co.	—	50
	Total coastwise	—	580

## SANTOS

During the week ending June 29th, 1916.

18-AMERICA-Genoa	J. de Almeida Cardia	4,500	
Ditto	Enea Malagutti	6,000	
Ditto	Cia. Nacional de Café	3,000	
Ditto	I. R. F. Matarazzo	3,000	
Ditto	Picone & Co.	1,625	
Ditto	Whitaker Brotero & C.	1,000	
Ditto	G. Masini	950	
Ditto	Belli & Co.	151	
Ditto	Amedeo Fregoli	100	
Ditto	J. J. Figueiredo	51	
Ditto	Leite Santos & Co.	1	20.328
19-ZEELANDIA-B. Aires	Cia. Nacional de Café	—	231
20-SEQUANA-Bordeaux	J. Osorio	2,000	
Ditto	Nauman Gepp & Co.	500	
Ditto	Prado Ferreira & Co.	500	
Ditto	U. P. Silveira Cintra	140	
Ditto	Oliveira Mello & Co.	1	
Ditto	Dom. F. Martins	4	
Ditto	A. Falcao & Co.	3	
Ditto	D'Orey & Co.	2	3.150
20-S. PAULO-New York	Theodor Wille & Co.	5,000	
Ditto	J. Aron & Co.	3,000	
Ditto	Levy & Co.	3,000	
Ditto	G. Trinks & Co.	2,600	
Ditto	Nauman Gepp & Co.	2,500	
Ditto	Ed. Johnston & Co.	1,500	17.510
21-GARIBALDI-B. Aires	G. Trinks & Co.	104	
Ditto	Villas Boas & Co.	1	
Ditto	Campos Pucci	29	1.4
21-LEON XIII-Vigo	Prado Ferreira & Co.	300	
Ditto-Gijon	Hard. Rand & Co.	250	
Ditto-Bilboa	G. Tomaselli & Co.	200	
Ditto	Ribas Hermanos	13	763
22-A. L. TREVILLE-B. Aires	Nauman Gepp & Co.	600	
Ditto	Milhomens & Co.	100	
Ditto	Whitaker Brotero & C.	1	701
23-LIGER-Bordeaux	J. Osorio	1,500	
Ditto	Ed. Johnston & Co.	250	
Ditto	Pupo & Filho	92	
Ditto	J. Carlos de Mello	40	
Ditto	A. Falcao & Co.	3	1.885
24-P. INGEBORG-B. Aires	Eugen Urban & Co.	750	
Ditto	Nossack & Co.	325	
Ditto	Cia. Nacional de Café	217	
Ditto	DiDebold & Co.	129	
Ditto	G. Trinks	129	1.551
24-A. FROUDE-Bordeaux	A. Falcao	—	2
	Total overseas	—	45.405
16-ITAPEMA-Rio Grande	Venancio de Faria	377	
Ditto	R. Alves Toledo & Co.	1	378
21-PIRANGY-Recife	Picone & Co.	—	0
24-ITAITUBA-Aracaju	Belli & Co.	120	
Ditto	A. R. Guimaraes	1	121
24-ITAUBA-Rio Grande	Venancio de Faria	214	
Ditto-Pelotas	Venancio de Faria	50	264
24-ITAPUCA-Rio	José L. Cardozo	—	218
	Total coastwise	—	1.041

## PER DESTINATIONS

United States	32,100
Italy	20,522
South America	6,272
France	5,723
Spain	763
Overseas	65,356
Coastwise	1,621
Total	66,977

## PER SHIPPERS.

Brazilian	24,360
Italian	9,036
British	6,905
American	6,500
German & Aust'n black-listed	18,555
Other black-listed	—
Overseas	65,356
Coastwise	1,621
Total	66,977

## SHIPPING COMPANIES.

Brazilian	32,100
Italian	20,522
French	7,634
British	2,555
Swedish	1,551
Spanish	763
Dutch	231
Overseas	65,356
Coastwise	1,621

Total 66,977

## PERNAMBUCO MARKET REPORT.

23rd June, 1916.

**Sugar.** Entries continue to dwindle and total to 19th has only been 8,049 bags, compared with 20,136 bags same date last year. The market is firm with same prices being paid to planters. There is no improvement so far in the home demand, but Montevideo and Buenos Aires continue good customers and sales to latter are said to be more than 60,000 bags, of which about half are Usinas and remainder white crystals and many of the stores have sold out their stocks of these two qualities. The s.s. Drechterland only took 11,000 bags, of the 26,000 despatched for her and of these 6,000 bags went to Montevideo and 5,000 bags to Buenos Aires, but sundry other boats are coming along and 9,000 bags are despatched for two of the Lloyd boats and 15,000 bags for s.s. Delphland, all for Buenos Aires. So far dealers maintain their quotations for the bagged article, but it will soon be very difficult if not impossible to obtain any more usinas or white crystals, as entries of these qualities are now quite insignificant and the sales already made for the Plate will clear out many stores of stocks. It is reported that an offer has been made of 5\$ bagged for 200,000 bags Demeraras for delivery Oct.-Nov., but so far sellers refuse to entertain it or indeed to name a price at which they would sell. The price is a good one and being for export would put the market in a very good position for first entries of white crystals, etc., but planters apparently want to see first what the weather is going to be like during the next 30 days ere they compromise themselves. The party enquiring is same as shipped to the London Sugar Committee for past two seasons and now would seem to be the most favourable moment for planters to carry out business of this kind and probably they could as easily place 5,600,000 bags as well as the 200,000 bags spoken of, but as last year they did better by not selling, they may go on same tack this year, but if crop should happen to be a large one, as at the moment seems likely, they will repent later on not having secured a large sale at what is a most remunerative price. Shipments during the week were 6,000 bags for Montevideo and 5,000 bags for Buenos Aires.

**Cotton.** Less than 1,000 bags have come to market during the week, entries to 19th being only 2,450 bags, compared with 20,136 bags same date last year, but notwithstanding this the market has no go in it and buyers hold off, whilst sellers do much the same thing, commanding from 33\$ to 34\$, whilst highest buyers have offered all the while is 32\$ and even this price looks rather doubtful to-day, but the fact remains that nothing offers at 32\$ and until the old sales still undelivered at higher prices are disposed of, it is very doubtful if sellers will come down just yet anyway for near hand cottons, but for future delivery there is more desire shown by some sellers to place stuff of new crop and one broker at least has orders to sell at 32\$ early August and 28\$ end August delivery, but the only offer made was of 28\$ for first half August delivery, which sellers so far refuse to entertain. Cotton is considerably weaker this afternoon and no one will pay 32\$ now that some small orders to sell have appeared at this figure. Buyers only talk of 30\$ as to-day's value.

**Coffee.** Price unchanged at 8\$500 to 9\$500, but sellers want more, but it would seem as if some sales had taken place privately, as there are 4,000 bags despatched in to-day's paper for s.s. Danube for London and she is now in port.

**Cereals.** A fair enquiry prevails, but prices are still downwards. Milho is quoted 7\$000 to 7\$500 per 60 kilos for home grown and 6\$000 to 7\$000 for imported lots; beans 16\$ to 17\$

per bag of 60 kilos home grown, with little enquiry, whilst imported lots are offered at 8\$ to 15\$ according to quality.

**Freights unchanged.** The s.s. Danube is reported as getting about 500 tons sundry cargo, but the rates have not transpired.

**Exchange.** 16th opened for collections at 12 1-4d., with nothing better all day, with same position on 17th and 19th; on 20th after collections, banks were open to do business at 12 5-16 and 12 3-8d., but at close was weaker again at 12 5-16d.; to-day the opening was again 12 5-16 and so far rate looks firm, but there is no business of any kind passing in exchange.

## Railway News

### THE LEOPOLDINA RAILWAY COMPANY.

#### ESTIMATED WEEKLY TRAFFIC RECEIPTS.

Year	Week Ended.	Receipts for Week			Total from 1st Jan.
		Currency.	Exch.	Sterling.	
1916	21th. Jun	430:000\$	12 11/32	£ 22,116	£ 519,551
1915	26th. Jun	422:000\$	12 7/16	£ 21,869	£ 724,228
Increase....	—	8:000\$	—	£ 247	—
Decrease....	—	—	3/32	—	£ 201,677

### THE S. PAULO RAILWAY COMPANY.

#### ESTIMATED WEEKLY TRAFFIC RECEIPTS.

Year	Week Ended	Receipts for Week			TOTAL from 1st January
		Currency.	Exchange	Sterling	
1916	25th Jun	524:479\$300	12 3/8	27,043-9-3	557,416-4-0
1915	27th Jun	421:282\$300	12 5/8	22,161-4-1	634,420-19-9
Increase...	—	103:197\$000	—	4,882-5-2	—
Decrease...	—	—	1/4	—	77,004-15-9

## RUBBER

**Weekly Cable.** Hard Fine opened at London on 1st July unaltered at 2s. 8d. per lb and Sertão Fina at Para closed 100 reis up at 4\$600 per kilo.

**Rubber Manufacture in Brazil.** A couple of years ago certain interests at Para induced Congress to pass a ridiculous law placing a prohibitive duty on all goods not certified as made from Fine Para. Fortunately for consumers the law fell into disuse because in the first place there were no means for distinguishing between the contents of pure Para and other rubbers, but principally because of the uproar raised amongst influential users of tyres.

Now the same parties turn round and propose that the actual duties shall be reduced by 50 per cent. on all manufactures bearing the legend 'Fine Para'!

The Brazilian import trade in rubber goods is not very big and we doubt if many will be induced to certify that the constituents of goods that consist for the great part of chemicals contain purely Para rubber, but some no doubt will be found and amongst them probably the parties that the bill promoted by Dr. Passos Miranda will favour.

If left to the discrimination of the Custom House, it seems

pretty certain that few manufactures will pass the test and that those which do get a practical monopoly. Probably this is the real object of the promotion of the bill.

Meanwhile a really national industry is being built up gradually from small beginnings that only requires a moderate degree of protection to develop into important undertakings. This is now threatened with extinction by the bill, when all the time, trouble and money invested will be simply thrown away.

We believe that with time and patience—capital is not ing—a fair business might be built up, not only for home consumption but for export in certain lines of manufacture and that Congress should lend its assistance to such efforts by maintaining duties on such articles for a specified term of years and reduce them gradually, as the ability of home manufacturers to compete in the home and foreign markets improves.

It would be unfair to a promising industry created entirely by voluntary effort, to reduce duties at the moment when cost of home manufactures is so terribly enhanced by difficulties in obtaining chemicals and cost of transport.

## SHIPPING

**Engagements.** The Royal Mail reports engagement of 50,000 bags for London and 50,000 Havre per s.s. Carnarvonshire, sailing about 15th July and 500 bags for s.s. Amazon from Santos to Liverpool.

Mr. Luiz Campos reports no fresh engagements, but some old ones cancelled.

The Prince liner Highland Prince, sailing on 24th July for New York and New Orleans is full and will take some 95,000 bags at \$1.00; the s.s. Black Prince is next on berth at \$1.10 for New York and \$1.20 for New Orleans and will leave about 10th August.

—The Lamport and Holt s.s. Raeburn, for New York, took 17 to 18,000 bags at 80c. and 5 per cent., very little coffee being available for export so far at that market.

The Chargeurs Reunis report engagement of 51,000 bags for s.s. Parana, of which 5,000 only from Rio, and 45,000 bags from Santos for Havre by s.s. Aml. Joyeuse, at 215 frs. and 10 per cent. per 900 kilos.

The Transportes Maritimes report engagement of 80,000 bags Santos and Rio for Marseilles, to be followed in August by the s.s. Mont Rose, for which a full cargo is likewise engaged. Nothing for Bordeaux or Havre.

—The snag at Montevideo is said to have been arranged between the agent sent to Buenos Aires and the shipping companies. This, however, requires confirmation, as up to last mail advices were that only meat boats under contracts with the British Government and Pacific liners had loaded or discharged at that port.

The Cia. Commercio e Navegação report following movement: s.s. Corcovado, en route New York to Brazil, calling at Rio and Paranagua, with general cargo at \$16 per ton; Araquary, due to leave Norfolk for Rio with coal for the Brazilian Coal Co., \$19 per ton; Parana, en route New York for Marseilles with grain; Tijuca, en route Lisbon from New York, with coal; Tibagy at S. Vicente discharging coal for British Government; Tupy, expected at New York, takes coal for Light and Power at \$19.50; Jacuhy, at Havre discharging coffee; Taquary on the berth, expected to take coffee to Marseilles at 210 frs., no return cargo; Guahyba, ditto; Jaguar, en route for New Orleans with cargo of coffee, at 90c. and \$1.20.

—The Santos merchants want to know how it is that German firms still succeed in getting imports from England in spite of the Black List? Ask something easier!

—We take the following from «Shipping Illustrated» of 6th May:—The British Government has given its consent to the purchase by an American company of the ships registered under the name of the American Transatlantic S.S. Co. (R. G. Wagner, President). These ships were placed on the English Black List on account of possible German control after they had been admitted to American registry in July, 1915. When some of these vessels were seized by the British authorities, Ambassador Page protested to the British Foreign Office. It is understood that the American Transatlantic S.S. Co. is willing to let its ships on the basis of 30s. a ton on the deadweight. The ships already in the hands of the British Government are the s.s. Saginaw, Kanakee, Genessee and Hocking. They range from 4,100 tons to 7,300 tons deadweight.

**The Freight Markets. Argentina.**—«The Times of Argentina» of 19 June, reports a steady fall in the freight market due to clever manipulation on the part of the Chartering Committee of the Allies and material cessation of demand caused by withdrawal of Government orders and disinclination to charter Greek vessels. It is expected in some quarters that rates will fall below the 100s. mark.

—The Brazilian market is quiet and somewhat inactive. The following are current quotations:—B. A. to Rio Grande, \$7.50; to Antonina, Paranagua, San Francisco and Pelotas, \$8; to Rio de Janeiro and Santos, \$9; to Porto Alegre, \$9.50, with 50 cents extra for up-river loading.

—The goods seized by the French cruiser and landed at Martinique from the Brazilian s.s. Tocantins were, as we expected, consigned to an enemy firm—the Hamburg-American Line at Pernambuco and as likely as not contraband of war. Anyhow experience of what this Line is capable of in the way of bomb making disclosed in the trial of the local directors, is justification and to spare of any apparent infringement of neutral rights. The absolution of the Germans responsible for the explosion on the s.s. Tennyson shows what may be expected from provincial courts and that, on the principle that prevention is better than cure, it is wiser to stop such people from importing at all than run the risk of more bombs and more impunity.

—The Brazilian market is steady, but far from brisk. The following rates are demanded by the coasters:—B. A. to Rio Grande, \$7.50; to Antonina, Paranagua, San Francisco and Pelotas, \$8; to Rio de Janeiro and Santos, \$9.50; to Porto Alegre, \$10; with 50 cents extra from up-river ports.—«The Times off Argentina», 26 June.

—Recent movements in freights have caused rather a surprising occurrence or accident. It was, on Friday, cheaper to ship to England via the States than direct. The liners to the States are willing to book maize at \$13 to \$14, (we believe the s.s. Winnebago was fixed by a blacklisted firm at well below this rate), whilst it was impossible to obtain space on the liners to U. K. at less than 110s. Say that the rate in shillings is 55, and as the rate from the States to U. K. is 39s., it works out that the round is about 15s. cheaper than shipping direct. And yet the American politicians maintain their continual squeal regarding lack of transportation between North and South America!—«Times of Argentina», 26 June.

#### VESSELS ARRIVING AT THE PORT OF RIO DE JANEIRO.

During the week ending June 29th, 1916.

June 23.—URANO, Brazilian s.s. 141 tons, from Cabo Frio  
23.—AMERICAN, American s.s. 4346 tons, from Newport  
23.—DRECHTERLAND, Dutch s.s. 2456 tons, from Amsterdam  
23.—ITAITUBA, Brazilian s.s. 717 tons, from Imbituba

23.—FIDELENSE, Brazilian s.s. 258 tons, from S. J. da Barra  
23.—RIO BRANCO, British s.s. 2580 tons, from New York  
24.—COTOVIA, British s.s. 2527 tons, from Bahia Blanca  
24.—GURUPY, Brazilian s.s. 1221 tons, from Macau  
24.—ITAPUCA, Brazilian s.s. 978 tons, from Porto Alegre  
24.—SATURNO, Brazilian s.s. 978 tons, from Rosario  
24.—ANNA, Brazilian s.s. 364 tons, from Laguna  
24.—ITAGIBA, Brazilian s.s. 1221 tons, from Mossoro  
25.—LIGER, French s.s. 3531 tons, from Buenos Aires  
25.—LEDBURG, British s.s. 1951 tons, from Rosario  
26.—ESPIRITO SANTO, Brazilian tug, 137 tons, from Victoria  
27.—SAN ONOFRE, British s.s. 5965 tons, from Tampico  
27.—MOLIERE, British s.s. 5965 tons, from Glasgow  
27.—M. GOULADAIU, Grecian s.s. 1025 tons, from Newport  
27.—ACRE, Brazilian s.s. 1555 tons, from New York  
27.—DRISKOS, Grecian s.s. 1846 tons, from V. Constituicao  
27.—URANO, Brazilian s.s. 141 tons, from Cabo Frio  
27.—SIGNE, Swedish s.s. 1499 tons, from La Plata  
28.—KELOG, Brazilian tug, 90 tons, from Macau  
28.—ITAPURA, Brazilian s.s. 1179 tons, from Porto Alegre  
28.—REZERREZIONE, Italian s.s. 1896 tons, from Santos  
28.—BAHIA, Brazilian s.s. 2084 tons, from Manaoas  
28.—P. H. CROWELL, American s.s. 2423 tons, from Newport  
28.—MURTINHO, Brazilian s.s. 511 tons, from Recife  
28.—EUCUD, British s.s. 3096 tons, from Buenos Aires  
28.—BLACK PRINCE, British s.s. 2550 tons, from New York  
29.—DEMERARA, British s.s. 7292 tons, from Buenos Aires  
29.—A. JACEGUARY, Brazilian s.s. 793 tons, from Recife  
29.—K. GUSTAF, Swedish s.s. 3820 tons, from Gothenburg  
29.—VALIFORNIA, British s.s. 2991 tons, from Iquiqui

#### VESSELS SAILING FROM THE PORT OF RIO DE JANEIRO.

During the week ending June 29th, 1916.

June 23.—EMILIA, Brazilian barque, 227 tons, for Itajahy  
23.—PACIFIC, Norwegian s.s. 4381 tons, from Baltimore  
23.—PIRANGY, Brazilian s.s. 950 tons, for Macau  
23.—LEALTA, Italian s.s. 2560 tons, for Dakar  
23.—SVERRE, Norwegian s.s. 2329 tons, for Philadelphia  
23.—ITAIPAVA, Brazilian s.s. 707 tons, for Imbituba  
23.—SATURNO, Brazilian s.s. 933 tons, for Montevideo  
24.—CAMPISTA, Brazilian s.s. 1254 tons, for Genoa  
24.—ITAQUERA, Brazilian s.s. 1254 tons, for Pernambuco  
24.—JUANITA, Argentine s.s. 378 tons, for Paranagua  
24.—ESTRELLA, Norwegian s.s. 881 tons, for Buenos Aires  
25.—S. PAULO, Brazilian s.s. 2213 tons, for New York  
25.—ITATINGA, Brazilian s.s. 1181 tons, for Porto Alegre  
25.—LIGER, French s.s. 3531 tons, for Bordeaux  
25.—SATURNO, Brazilian s.s. 1731 tons, for Las Palmas  
26.—LEDBURY, British s.s. 1951 tons, for Las Palmas  
26.—DRECHTERLAND, Dutch s.s. 2456 tons, for Buenos Aires  
27.—CARANGOLA, Brazilian s.s. 258 tons, for S. J. da Barra  
27.—COTOVIA, British s.s. 2527 tons, for Bahia Blanca  
27.—DAYLIGHT, American lugger, 571 tons, for Barbados  
27.—EUCUD, British s.s. 3096 tons, for Liverpool  
27.—MAISIE, British s.s. 2763 tons, for Bahia Blanca  
27.—MAROIM, Brazilian s.s. 525 tons, for Porto Alegre  
28.—MARANHÃO, Brazilian s.s. 1303 tons, for Manaoas  
28.—JUPITER, Brazilian s.s. 1800 tons, for Buenos Aires  
28.—ANNA, Brazilian s.s. 364 tons, for Florianopolis  
28.—ESPIRITO SANTO, Brazilian s.s. 137 tons, for Victoria  
28.—PURUS, Brazilian s.s. 2495 tons, for Santos  
28.—RENVICK, Norwegian s.s. 3332 tons, for Baltimore  
28.—DRISKOS, Grecian s.s. 1846 tons, for Marseilles  
28.—SIGNE, Swedish s.s. 1499 tons, for Lindschrowe  
28.—RIO BRANCO, British s.s. 2580 tons, for Santos  
29.—DEMERARA, British s.s. 7292 tons, for Liverpool  
29.—ITAGIBA, Brazilian s.s. 958 tons, for Porto Alegre  
29.—BLACK PRINCE, British s.s. 2550 tons, for Rosario  
29.—ITAITUBA, Brazilian s.s. 717 tons, for Aracaju

#### VESSELS ARRIVING AT THE PORT OF SANTOS.

During the week ending June 29th, 1916.

June 22.—A. L. TREVILLE, French s.s. 3567 tons, from Bordeaux  
22.—BENJAMIN, Argentine s.s. 636 tons, from Bahia Blanca  
22.—ORITA, British s.s. 5617 tons, from Liverpool  
23.—E. R. KENT, American lugger, 1005 tons, for Bridgewater  
23.—LIGER, French s.s. 2530 tons, from Buenos Aires  
23.—A. FROUDE, French s.s. 3572 tons, from Havre  
23.—OSTERLAND, Swedish s.s. 2546 tons, from Sunderland  
23.—P. INGEBORG, Swedish s.s. 2159 tons, from Gothenburg  
23.—OBELL, British s.s. 1110 tons, from Tampico  
23.—OSTERN, Danish s.s. 2269 tons, from Philadelphia  
23.—ITAUBA, Brazilian s.s. 825 tons, for Rio  
23.—ANNA, Brazilian s.s. 247 tons, from Laguna  
23.—ITAPUCA, Brazilian s.s. 869 tons, for Porto Alegre  
24.—SATURNO, Brazilian s.s. 515 tons, from BiRo  
25.—ESTRELLA, Norwegian s.s. 892 tons, for Christiania  
26.—ITAIPAVA, Brazilian s.s. 613 tons, from Aracaju  
26.—ITATINGA, Brazilian s.s. 926 tons, from Recife  
26.—VISNOD, Italian s.s. 4511 tons, from Buenos Aires  
27.—ITAPUCA, Brazilian s.s. 926 tons, from Porto Alegre  
27.—LAPA, Brazilian s.s. 805 tons, from Rosario  
27.—DRECHTERLAND, Dutch s.s. 2456 tons, from Amsterdam

#### VESSELS SAILING FROM THE PORT OF SANTOS.

During the week ending June 29th, 1916.

June 22.—ORITA, British s.s. 5617 tons, for Callao  
22.—A. L. TREVILLE, French s.s. 3567 tons, for Buenos Aires  
23.—LIGER, French s.s. 3530 tons, for Bordeaux  
23.—ANNA, Brazilian s.s. 247 tons, for Rio  
23.—ITAUBA, Brazilian s.s. 869 tons, for Porto Alegre  
23.—AVANTE, Brazilian s.s. 65 tons, for S. Sebastian

- 23.—ASSU, Brazilian s.s. 925 tons, from Macau  
 23.—ITAPUCA, Brazilian s.s. 869 tons, for Rio  
 24.—A. FROUDE, French s.s. 3572 tons, for Buenos Aires  
 24.—P. INGEBORG, Swedish s.s. 2159 tons, for Buenos Aires  
 24.—SATUENO, Brazilian s.s. 515 tons, for Montevideo  
 25.—BENJAMINA, Argentine s.s. 636 tons, for Paranaguá  
 25.—ITAPIAVA, Brazilian s.s. 613 tons, for Imbituba  
 25.—ITATINGA, Brazilian s.s. 926 tons, for Porto Alegre  
 27.—ITAPURA, Brazilian s.s. 926 tons, for Pernambuco  
 27.—DAVID C. RILEY, British s.s. 284 tons, for Barbados  
 27.—RESEBREZZIONE, Italian s.s. 1874 tons, for Genoa  
 27.—ESTRELLA, Norwegian s.s. 893 tons, for Buenos Aires  
 27.—EDWIN R. KENT, American lugger, 1005 tons, for B. Aires  
 27.—NIMROD, Italian s.s. 4511 tons, for Genoa

## The Week's Official War News

The following communiqués have been received by His Majesty's Consulate General from the Press Bureau:—

London, 26th June, 1916.

Dissensions among German social democrats have now come to a head. A mass meeting was held on June 18th, in the largest labour constituency in Berlin, for the purpose of discussing a resolution in favour of stopping the payment of subscriptions to the party headquarters, a measure which the leaders declare means the breaking up of the party and the complete annihilation of the social democratic organisation.

Articles calculated to tranquilise the public are appearing in German newspapers and obviously there is great anxiety in governing circles concerning the temper of the people. The German Government has not this time succeeded in diverting the peoples' anger against England and authorities are blamed on all hands for having so grossly mismanaged the food question. The poorer people are driven to distraction by their ineffectual attempts to obtain food for their people after waiting for hours in crowds outside the shops and are further irritated by the knowledge that food of all kinds can easily be obtained by anyone who can and will pay the extortionate prices charged. The newspapers continue to preach about the extra glory gained by holding out; they dilate on their 'great victory' coming soon and inform the people that it is absolutely certain that a scarcity of food will be felt only a few weeks longer, namely until the next harvest is gathered. But the people are beginning to realise that they have heard such promises, mostly baseless, before.

A Copenhagen message states that serious food riots have occurred in some quarters of Essen. The utmost misery prevails in the whole of the German Rhine provinces. At Cologne, where potatoes are almost unobtainable, the burgomaster declared publicly that his own town was not in a position to send sufficient quantities to Cologne. Herr Batocki arrived in the industrial district of Essen on June 20th, receiving a deputation of workmen, who pointed out the serious situation which resulted from the scarcity of food. Herr Batocki replied that he would do all he could for the working classes, but that he had difficulties and he therefore asked the working classes to have patience. Herr Batocki whilst journeying in Westphalia found that his investigations touching food supplies possessed by private householders, gave a most discouraging result. The supplies proved very small and many streets inhabited by wealthy people were absolutely without meat.

A Zurich message shows that 100 marks, normally worth £5, are now equal to £3 16s. 7d. in Switzerland, while 100 kronen are worth £2 13s. 3d., being normally worth £4 3s. 4d. As a contrast the Allies' credit is rising steadily.

London, June 29th, 1916

The opposing armies are locked in fierce battle along all the eastern front and the Russians have already overrun all Bukovina, till not only are they at Gura Humora, near the Roumanian border, but have also occupied Wienitz, in the west, and progressed towards Vladimir Volinski, though they are not yet apparently moving on Kovel. In the meantime the Germans make no general sign of movement on the north front and Hindenburg's activity in the Dvinsk region is both doubtful in success and purely local. Their hope does not amount to break the Russian line, but is merely to distract the Russians from their

advance elsewhere, which by now has so shaken the nerve of the Central Alliance, that Austrian opinion in Bukarest admits that a German-Austrian disaster is inevitable, owing to the fearful wastage of life and the detention of enormous numbers of troops in the attempts on Verdun. It is added that, but for German opposition, Austria would long ago have sought peace. The main feature of the week has been the failure of the Austrian offensive in Italy, which has collapsed like a skinful of wind. The Italians along the whole Trentino front are now steadily pressing the Austrians further and further in retreat, while between the Russian and Italian attacks the resistance of the Austrians is necessarily divided, although German reinforcements have come to their aid, at the risk, nevertheless, of the German activity on the Western front.

The fighting for Verdun continues intense and British forces have also been engaged on the western front, successfully breaking the German lines in ten places.

The resignation of the Skouloudis Government in Greece is hailed with great general satisfaction as restoring a friendly understanding between Greece and the Allies. The state of affairs in Greece has immediately improved, thanks to the complete assent of the new Government to all the demands of the Allies.

The abrogation of the Declaration of London is received with acclamation as materially strengthening the hands of the Allies.

The decision of the Economic Conference in Paris has also been generally acclaimed and its results are already evident in a further fall of the German mark. The financial position in England, on the contrary, has never been more stable. There is every confidence in maintaining the gold market and evidence of unimpaired prosperity in the increase of the bank rate, thanks to the sound and wise financial policy of the Government and the work of the Navy in enforcing the blockade with ever-increasing stringency.

The Moslems at Cairo and elsewhere recognise the hopeless plight of the Turkish Caliphate now that the movement of the Grand Sheriff in throwing off the Turkish yoke from the sacred cities of Mecca and Medina is proving so successful and will lead to far-reaching changes in the Islamic world. The movement is spreading and the Turks are in such serious alarm that they pretend that the English are bombarding the holy places, which is a desperate lie, intended to create a counter-wave of opinion in Mussulman circles, but failing in its purpose as it is clearly recognised to be untrue.

The following official communiqués have been received by His Majesty's Minister from the Foreign Office:—

London, 1st July, 1916.

An attack was launched to the north of the river Somme this morning at 7-30 in conjunction with the French. The British troops have broken into the German forward system of defences on a front of 16 miles. The fighting continues. The French attack on our immediate right is proceeding equally satisfactorily. On the remainder of the British front, raiding parties have again succeeded in penetrating the enemy's defences at many points, inflicting loss on the enemy and taking prisoners.

London, 2nd July, 1916.

The following report has been received from our General Headquarters in France, dated 1st July, 11-14 p.m.:—Heavy fighting continued all day between the rivers Somme and Ancre and north of the Ancre as far as Gommecourt inclusive. The fight on the whole front still continues with intensity. On the right in our attack we have captured the German labyrinth of trenches on a front of seven miles to a depth of 1,000 yards and have stormed and occupied the strongly fortified villages off Montauban and Mametz. In the centre in our attack on a front of four miles, we have gained many strong points, while at others the enemy is still holding out and the struggle on this front is still severe. From the north of the Ancre valley to Gommecourt inclusive, the battle has been equally violent and in this area we have been unable to retain portions of the ground gained in our first attacks, while other portions remain in our possession. Up to date over 2,000 German prisoners have

passed through our collecting stations, including two regimental commanders and a whole regimental staff. The large number of enemy dead on the battlefield indicates that the German casualties have been very severe, especially in the vicinity of Fricourt. Last night parties of our troops penetrated into the German trenches at Ypres, in each case inflicting casualties on the garrisons before withdrawing. One raiding party captured 16 prisoners in addition.

Yesterday, in spite of the high wind, a large amount of successful work was done in the air; an important railway depot was attacked with powerful bombs and a large number of other bombs dropped on depots, railway junctions, batteries, trenches and other points of military importance. Over the enemy's lines considerable aerial activity has taken place to-day during the battle, but full details have not yet been collected. Our machines attacked a railway train on the line between Douai and Cambrai. One of our airmen descended to below 900 feet and succeeded in bombs on one of the trucks, which exploded and other pilots saw the whole train in flames and heard further explosions.

The following official communiqués have been received by His Majesty's Consulate General from the Press Bureau:—

London, 2nd July, 1916.

The following has been received from a reliable unofficial source describing the position up to 7-15 p.m., July 1st:—The British are in the process of surrounding the villages which the Germans had turned into centres of resistance, particularly round Gommecourt and Beaumont Hamel. This apparently forms the first stage of what promises to be a long drawn out action. Fricourt still holds out, though nearly surrounded. A reserve division of the Prussian Guard are among those opposed to the British, so that they meet their old opponents of Loos and Neuve Chappelle

London, 2nd July, 1916.

The following news has been received from a reliable non-official source describing the situation up to 11-35 a.m. on 2nd July:—During the night a strong German counter attack was made at Montbambannand and repulsed with heavy loss to the enemy. Our troops are in excellent spirits. The situation on the British front has remained unchanged since last evening.

The following official communiqués have been received by His Majesty's Minister from the Foreign Office:—

London, 2nd July, 1916.

The following despatch has been issued by Headquarters in France at 5-15 p.m. on July 2nd:—Substantial progress has been made in the vicinity of Fricourt, which was captured by our troops at 2 p.m. to-day. Up to noon to-day 800 more prisoners have been taken in the operations between the rivers Ancre and Somme, bringing the total up to 3,500, including those taken on other parts of the front last night.

London, 3rd July, 1916.

The following despatch has been received from Headquarters in France, dated 2nd July, 10-45 p.m.—Heavy fighting has taken place to-day in the area between the Ancre and Somme, especially about Fricourt and La Boisselle. Fricourt, which was cap-

tured by our troops about 2 p.m. remains in our hands, and some progress has been made east of the village. In the neighbourhood of La Boisselle, the enemy is offering a stubborn resistance but our troops are making satisfactory progress. A considerable quantity of war material has fallen into our hands, but details are not at present available. On either side of the valley of the Ancre, the situation is unchanged. The general situation may be regarded as favourable. Later information of the enemy's losses show that the first estimates were too low. Yesterday our aeroplanes were very active in co-operation with our attack north of the Somme and afforded valuable assistance to the operations. Numerous enemy headquarters and railway centres were attacked with bombs. In one of these raids our escorting aeroplanes were attacked 20 Fokkers, which were driven off; 2 of the enemy machines were seen to crash to the earth and were destroyed. Some long distance reconnaissances were carried out in spite of numerous attempts by enemy machines to frustrate these enterprises. Three of our aeroplanes are missing. Our kite balloons were in the air the whole day.

London, 3rd July, 1916.

The following despatch has been received from Headquarters France, 2.30 p.m.:—The battle south of the Ancre continues hotly contested. All the portion gained yesterday has been maintained. Fighting about La Boisselle and Ovillers was particularly severe. Yesterday evening our troops penetrated into the village of La Boisselle and the fighting still progress in the village about Ovillers. The fighting met with varying success. One attack early this morning secured portions of the hostile defences. 400 more prisoners passed through our collecting stations. A very large amount of work was done by our aircraft yesterday. In the early part of the day several attempts at offensive action on our side of the line were made by hostile aircraft in large parties. All these were driven back and subsequently the enemy's aircraft were held far behind the German lines, with the result that our artillery and machines were able to work without interruption from hostile aircraft. During the day a very large number of aerial combats took place over the enemy's lines. 6 hostile machines are known to have been brought down and 5 others driven down severely damaged. 7 of our machines are missing.

The following has been received from General Headquarters in France, 4-45 p.m.:—Heavy fighting continues, but is proceeding satisfactorily for us, especially in the vicinity of La Boisselle, where the remnants of the garrison have now surrendered. In other parts of the battlefield some further progress has been made and some additional hostile defences captured.

London, 4th July, 1916.

The fight has fluctuated this afternoon at La Boisselle and south of Thiepval, the advantage on the whole remaining with us. South of Thiepval hostile counter attacks drove some of our troops from a portion of the positions captured early this morning. Elsewhere many hostile attacks have been repulsed with heavy loss. At some places we have continued to make substantial progress. The amount of captured armament and warlike stores is very considerable, but no accurate details are yet available. The number of prisoners is now over 4,500.

On the rest of the front except for heavy hostile artillery fire at certain places, no incident of importance has occurred. Yesterday there was a marked increase in the number of hostile aeroplanes on the south sectors of our front, but in spite of this our airmen carried out in a most gallant manner all the duties assigned to them. To-day one hostile kite balloon was destroyed and fell in flames. Since the commencement of the battle we have lost a total of 15 machines on the whole British front.