

Mailman's Brazilian Review

A JOURNAL OF TRADE AND FINANCE

PUBLISHED WEEKLY TO CATCH BRITISH MAILS.

VOL. 3

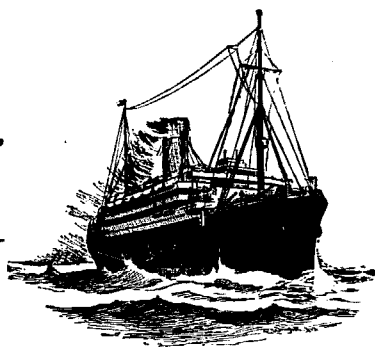
RIO DE JANEIRO, TUESDAY, July 18th, 1916

N. 29

R. M. S. P. THE ROYAL MAIL STEAM PACKET COMPANY

P. S. N. C. THE PACIFIC STEAM NAVIGATION COMPANY

Frequent service of mail
steamers between Brazil, Europe,
The River Plate and Pacific Ports
All steamers fitted with
Marconi system of wireless tele-
graphy.



Regular service
of cargo boats to and from all the
principal British
ports, also serving France, Spain and
Portugal.

Cabines de luxe -- Staterooms with bath-room, etc., also

a large number of Single berth Cabins

SAILINGS FOR EUROPE

DESEADO.....	21st	July
ORTEGA.....	22nd	"
DARRO.....	10th	August
ORITA.....	16th	"
DESNA.....	11th	"
ARAGUAYA.....	28th	"
DEMERARA.....	1st	September

DRINA.....	8th	September
AMAZON.....	20th	"
DESEADO.....	29th	"
ORONSA.....	3rd	October
DARRO.....	6th	"
DESNA.....	13th	"
ARAGUAYA.....	25th	"

FOR FURTHER PARTICULARS, APPLY TO

THE ROYAL MAIL STEAM PACKET COMPANY

53 and 55, Avenida Rio Branco, 53 and 55

Tel. OMARIUS — RIO — P. O. B. 21
TELEPHONE No. 1199 NORTE.

SÃO PAULO

RUA QUITANDA
(Corner of Rua São Bento)

SANTOS RUA 15 DE NOVEMBRO 190.

THE GREAT WESTERN OF BRAZIL RAILWAY COMPANY, LTD.

HEAD OFFICE:

River Plate House, Finsbury Circus,
LONDON, E.C.

Cable Address: "BENCH, LONDON"

OFFICE IN RIO DE JANEIRO:

Jornal do Commercio Buildings
Avenida Rio Branco, 117, 2nd Floor
Nos. 13, 14, 15 and 16
Cable Address: "BENCH, RIO"

Office in RECIFE:

Rua BARAO DE TRIUMPHO, Nos. 45-47
Cable Address: "Bench, Pernambuco"

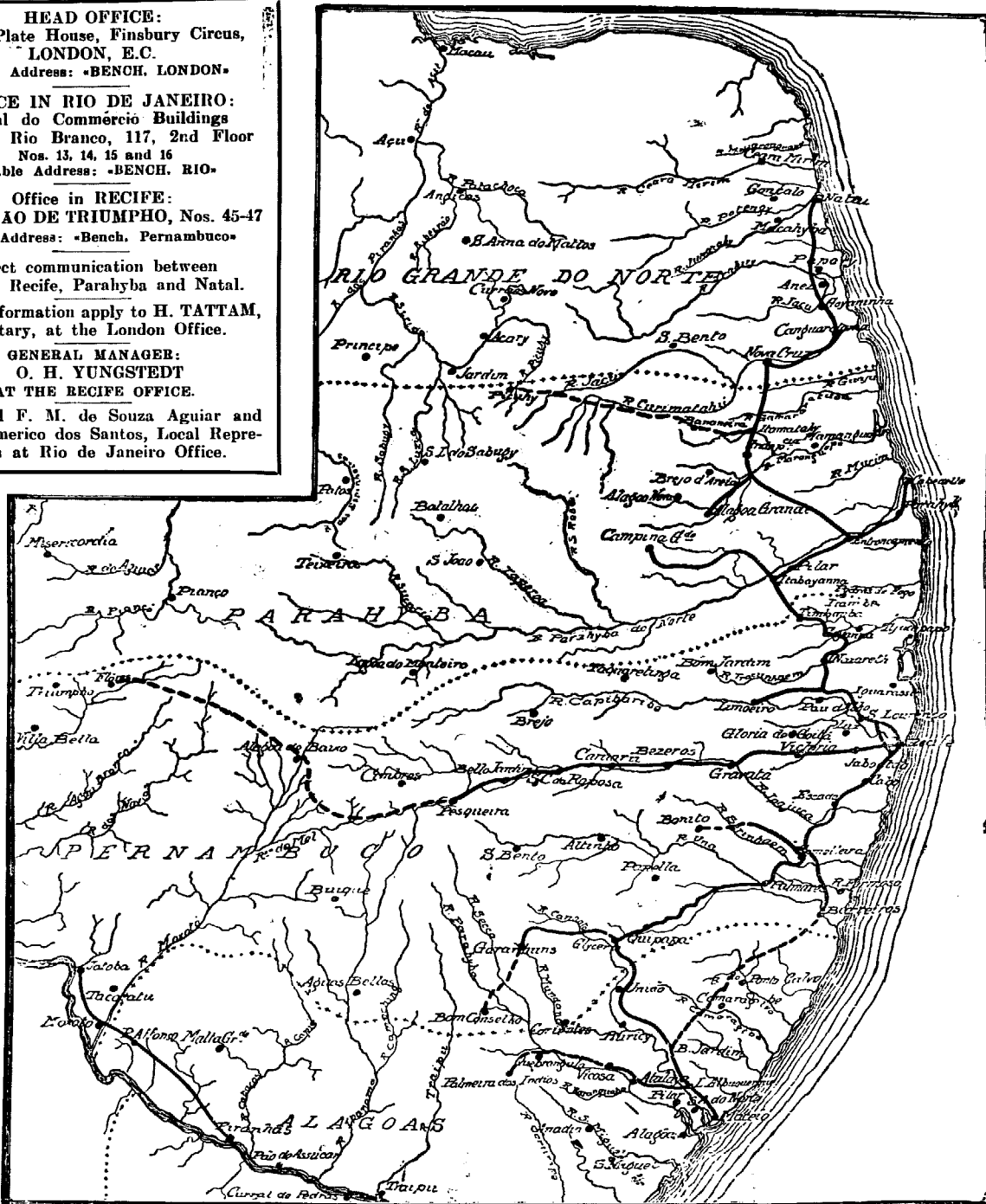
Direct communication between
Maceió, Recife, Parahyba and Natal.

For all information apply to H. TATTAM,
Secretary, at the London Office.

GENERAL MANAGER:

O. H. YUNGSTEDT
AT THE RECIFE OFFICE.

Marshal F. M. de Souza Aguiar and
Carlos Americo dos Santos, Local Represent-
atives at Rio de Janeiro Office.



DIRECT COMMUNICATION between RECIFE (Cineo Pontas) & MACEIÓ & JARAGUÁ.
on Sundays, Mondays, Wednesdays & Fridays:
returning on Sundays, Tuesdays, Thursdays & Saturdays.

DAILY, between RECIFE (Brum) & Parahyba & Cabedello.

From RECIFE (Brum) & Cabedello & Parahyba to Natal and vice-versa on MONDAYS, WEDNESDAYS & FRIDAYS, Sleeping at Independencia.

Between RECIFE (Central) & PESQUEIRA DAILY.

LONDON AND BRAZILIAN BANK, LIMITED.

ESTABLISHED 1862

Capital	£2,500,000
Capital paid up	£1,250,000
Reserve Fund	£1,400,000

HEAD OFFICE 7, TOKENHOUSE YARD, LONDON, E.C.
 BRANCH OFFICE IN RIO DE JANEIRO 19, RUA DA ALFANDECA
 PARIS BRANCH 5, RUE SCRIBE, PARIS

Draws on Head Offices and the following Branches:—Lisbon, Oporto, Manáos, Pará, Ceará, Pernambuco, Bahia, Santos, S. Paulo, Curitiba, Rio Grande do Sul, Porto Alegre, Montevideo, Buenos Aires, Rosario de Santa Fé, Paris and New York (Agency.)
 Also on the following Bankers:—Messrs. Glyn, Mills, Currie and Co., London; Société Générale, Paris and Branches; Credito Italiano, Italy; Hongkong and Shanghai Banking Corporation, India, China and Japan; Crédit Lyonnais, Spain; Branches of Banco de Portugal, Portugal.

CORRESPONDENTS.

The Bank has Agents or Correspondents in all the principal ports and cities of Brazil, Uruguay, Argentina, United States & Europe.

THE BRITISH BANK OF SOUTH AMERICA, LTD.

HEAD OFFICE: 4 MOORGATE STREET, LONDON, E.C.

CAPITAL	£2,000,000
IDEM PAID UP	1,000,000
RESERVE FUND	1,000,000

Office in Rio de Janeiro { Rua Primeiro de Março 45 and 47
 { Rua do Hospicio. 1, 3, 5 and 7

Branches at:—SAO PAULO, BAHIA, BUENOS AIRES, MONTEVIDEO and ROSARIO.

Correspondents in:—Pernambuco, Pará, Manáos, Ceará, Victoria, Maranhão, Parahyba do Norte, Santa Catharina, Paraná, Rio Grande do Sul, Pelotas, Porto Alegre, Santos, Piahy and Matto Grosso.

Draws on its Head Office in London; The London Joint Stock Bank, Limited, London and all principal towns in United Kingdom; Messrs. Heine and Co., Paris; Banque de Bordeaux, Bordeaux; Banco Bolinzaghi, Milan; Banca Commerciale Italiana, Genoa; Società Bancaria Italiana, Genoa; Messrs. E. Sainz and Hijos, Madrid and Correspondents in Spain; Crédit Franco-Portugais, Oporto; Banco de Portugal, Lisbon, and Correspondents in Portugal; The Bank of New York, N.B.A., New York; E. Raoul, Duval and Co., Havre.

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Receives deposits at notice or for fixed periods and transacts every description of banking business.

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THE LEOPOLDINA RAILWAY COMPANY LIMITED.

M. C. MILLER—GENERAL MANAGER.

Central Office, RUA DA GLORIA, 36 — Telephone: 2404 Central

Cable Address: LATESCENCE

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Direct communication between Rio de Janeiro and Victoria, Espirito Santo, State of Minas, etc. 1,823 miles of line.

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TRAINS LEAVE FOR THE INTERIOR:—

NITHEROY.

- 6.30 Express—Campos, Miracema, Itapemirim, Porciuncula and branch lines, daily.
- 7.00 Express—Friburgo, Cantagallo, Macuco and Portella, daily.
- 7.45 Mixed—Macahé, Tuesdays, Thursdays and Saturdays.
- 9.40 Mixed—Friburgo and Cantagallo, week days only.
- 15.35 Passeio—Friburgo, Saturdays and when announced.
- 16.15 Mixed—Rio Bonito, daily. Wednesdays to Capivary.
- 21.00 Night Express—Campos, Itapemirim and Victoria, Mondays and Fridays, sleepers and restaurant cars. Electric illumination and ventilation. Single fare, 48\$900; Upper Berth, 10\$000; Lower Berth, 15\$000. Return fare, 74\$400. Lunch and dinner served during journey.

PRAIA FORMOSA:—

- 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.
- 20.00 Express—Petropolis, daily.

EXCURSIONS SPECIALLY RECOMMENDED.

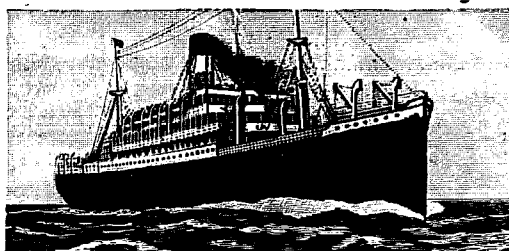
Petropolis—2,700 feet above sea level, magnificent climate, beautiful views during trip; 1 hour, 40 minutes. 1st class return, 4\$800. Stone ballast, no dust. 7 trains per day.

Friburgo—2,800 feet above sea level. 3 hours, 25 minutes by passeio train. Fare, 10\$800 1st class return (Saturday to Monday.)

DELIVERY AT RESIDENCE.—A regular service of delivery at residence in Rio de Janeiro, Nitheroy, 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.

LAMPORT & HOLT LINE

Mail and Passenger Service Between
NEW YORK, BRAZIL AND RIVER PLATE



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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Santos.-F. S. HAMPSHIRE & Co. Ltd., P. O. B. 10.-São Paulo-F. S. HAMPSHIRE & Co. Ltd., P. O. B. 32
Bahia - F. BENN & Co.

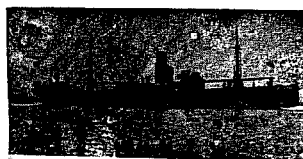
DEN NORSKE SYD-AMERIKA LINJE

(The Norwegian South America Line)

REGULAR SERVICE BETWEEN

NORWAY==

== BRAZIL



== NORWAY

RIVER PLATE

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«San Remo» end July

For further particulars apply to :—

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REDERIAKTIEBOLAGET NORDSTJERNAN

Johnson Line

Regular Service between Scandinavia, Brazil and the River Plate.

SAILING FOR EUROPE :—

OSCAR FREDRIK—About 22nd July.
KRONPRINS GUSTAF—End of July.

SAILING FOR RIVER PLATE :—

AXEL JOHNSON—About 26th July.
ANNIE JOHNSON—About 10th August.

For further particulars apply to :—

LUIZ CAMPOS — 84, Rua Visconde Inhauma, 84

Wileman's Brazilian Review

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VOL. 3

RIO DE JANEIRO, TUESDAY, July 18th, 1916

No. 29

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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BUENOS AIRES. — CALLE 25 DE MAYO 158
(3 er PISO)

S. PAULO

ROSARIO. — 669 CALLE SARMIENTO

4, RUA DA QUITANDA.

AGENCIES

Victoria, Bahia, Pernambuco, Ceará, Curitiba, Florianopolis, Rio Grande, Pelotas & Porto Alegre.

The Mill's marks of flour are:-

"NACIONAL"

"SEMOLINA"

"BRAZILEIRA"

"BUDA-NACIONAL"

"GUARANY"

AND FOR SUPERIORITY
HAVE BEEN AWARDED

Gold Medal Pariz 1889.

First Prize Brazil St. Louis 1904.

First Prize Turin 1911.

First Prize Brazil 1908

First Prize Brussels 1910

OFFICES: — RUA DA QUITANDA, 108 — RIO DE JANEIRO.

BRAZILIAN WARRANT COMPANY LIMITED.

HEAD OFFICE: Brazil House, 2 Great St. Helens, London, E. C.

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

Branches at: SANTOS, RIO DE JANEIRO and SÃO PAULO.

Agencies at: CAMPINAS, JAHÚ, and SÃO CARLOS DO PINHAL.

Conducts a general consignment and commission business. Makes a speciality
of advances against Coffee, Sugar, Cereals & general merchandize.

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METAL AND RUBBER PRINTING STAMPS



Interchangeable Type of Solid Rubber and «Metal-Bodied» Rubber Type, Wax Seals, Stencils, Sign Markers.

Stamps Mounted with Patent Air Cushions.
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P. O. BOX—1521.

Tel. Address—REVIEW.

Subscription £5 per annum.
Single copies supplied to subscribers only.

MAIL FIXTURES

FOR EUROPE.

July 21.—DESEADO, Royal Mail, for Liverpool.

„ 22.—ORTEGA, P.S.N.C., for Liverpool.

FOR RIVER PLATE AND PACIFIC.

„ 25.—DESNA, Royal Mail, for River Plate.

Aug. 1.—ARAGUAYA, Royal Mail, for River Plate.

„ 7.—ORONSA, P.S.N.C., for River Plate and Pacific.

FOR THE UNITED STATES.

Aug. 1.—VASARI, Lamport and Holt, for New York.

NOTES

Fresh Issues of Apolices or 5 per cent. Internal Bonds to value of Rs. 25,000,000\$ to provide for contracts for construction of Timbo-Propria, Madeira and Mamoré, S. Luiz Caixas, Sobral, Central Rio Grande do Norte, Passo Fundo to Uruguay, Itaqui-S. Borge and other railways. Interest 5 per cent., amortisation $\frac{1}{2}$ per cent.

A German Rubber Co. Under this heading in our issue of 18 April last, a reference was made to the relations of Messrs. Knowles and Foster, the well-known London bankers, with the now enemy firm of Stofen, Schnack, Muller and Co., of Brazil and Bolivia. As no dates were given in our paragraph, it might mislead readers into thinking that the connexion of the firm of Knowles and Foster with this German firm is of recent date, whereas the transactions from which the debt results are, of course, prior to the war, when the obligation to repay the debt had been already undertaken.

The Black List in Buenos Aires. According to a recent cable, a bill has been presented to the Argentine Congress making it a penal offence, punishable by fine and imprisonment, to insert in any contracts clauses tending to restrict the liberty of trade between parties of belligerent nationalities and to give circulation in newspapers published in Argentina or comments on same. As this action has already found echo here, it may be well to recapitulate the position.

This bill insists on neutrality in word, but in spirit it is its negation, because it endeavours to force traders of British and French nationalities to deal with others that their respective Governments have declared to be enemies and have blacklisted.

Within her own jurisdiction, Great Britain has the indisputable right to dictate the terms on which her own subjects may trade with subjects of enemy nationality or, for that matter, any other.

The Black List was designed precisely to avoid declarations of a general character and limit prohibition to subjects of enemy nationality and such neutrals who aided or abetted them, to whom the British Government might object.

Such prohibition affects trading exclusively with Great Britain or in British ships and can only affect neutrals who connive with the enemy to defeat the policy of the British Government.

The Black List, which is a compromise for total prohibition, is organised and promulgated by the British Foreign Office and communicated to its agents in neutral countries, at whose offices it can be seen and consulted. It is, moreover, obligatory on all British subjects to inform themselves of the dispositions of their Government. The simplest way, of course, to ensure popularisation is through the newspapers. But were that prohibited, British authorities in these countries would easily find other means of communicating with British subjects, just as the consuls of other nations did with regard to conscription.

Prohibition of publication of the Black List in Argentina or Brazilian newspapers would, in effect, chiefly prejudice neutral traders in these countries, who would have no means of discriminating between blacklisted and non-blacklisted firms, and so become liable to be blacklisted also.

As regards British subjects, the bill would be inefficacious seeing that the objectionable claims might be entirely suppressed without relieving British subjects from the obligation of respecting the enactments of their own Government whether published in newspapers or no.

The bill, we opine, will never become law, because in the first place it offends the principles of real neutrality and if enacted would be certainly inoperative, though it might give rise to misunderstandings between nations who have every desire to keep on good terms with each other.

The Black List, we will once more affirm, was the only alternative to general prohibition of trading between British and enemy subjects. No Government could consent to the connivance of neutrals with enemy subjects to frustrate its own enactments. If to prevent it, trading between certain and specified subjects of neutral countries with Gt. Britain is likewise prohibited, the fact that all trading, even with enemy subjects, in these countries has not so far been prohibited when likely to injure collective neutral interests, is the best possible proof of the consideration with which neutral trade has been treated and the desire to live in peace and amity with these countries.

THE BLACKLIST TO DATE.

May 2, 1916	Albuquerque, Antonio de, Para.
Mar. 24, 1916	Arp & Co., Rua do Ouvidor 102, Rio de Janeiro.
June 8, 1916	Ahrns, Eduardo, Rua dos Algibebes, Bahia.
Apr. 14, 1916	Barza & Co., Pernambuco.
Mar. 24, 1916	Bayer, Friedrich, & Co., Trav. S. Rita, 22-24, Rio
Mar. 24, 1916	Behrmann & C., Rua das Princezas, Bahia.
Mar. 24, 1916	Bellingrodt & Meyer, Rua S. Pedro 70, Rio
June 8, 1916	Bezold, Otto, Ceara.
June 8, 1916	Breithaupt, Victor, & Co., Rua Itororo 8, Santos.
June 8 1916	Bluhm, Bernhard, Rua 28 de Julho, S. Luiz, Maranhão.
Mar. 24, 1916	Berringer & Co., Para
Mar. 24, 1916	Bockman, A. & Co, Rua do Apollo 28, P'nambuco
Apr. 14, 1916	Borstelmann & Co., Pernambuco and Maceio
May 2, 1916	Brando, Viuva Carlos, & Co., Florianopolis.
Mar. 24, 1916	Bromberg & C., Bahia, Porto Alegre, S. Paulo, Rio de Janeiro, Santos, and Rio Grande do Sul
Mar. 24, 1916	Bromberg, Hacker & Co., Bahia, Porto Alegre, S. Paulo, Rio de Janeiro, Santos and Rio Grande do Sul.
May 18, 1916	Carioca, Manoel Vicente, Manaus.
Mar. 24, 1916	Casa Allema (Wagner, Schadlich and Co.) Rua 15 de Novembro, Santos; Rua Direita 18, S. Paulo.
July 5, 1916	Cia. Lithographica Hartmann Reichenbach, S. Paulo.
Mar. 24, 1916	Companhia Commercial, Victoria.
Mar. 24, 1916	Costa Almeida, M., Rua do Rosario 17, S. Paulo; Rio de Janeiro.
Mar. 24, 1916	Costa Ferreira & Co., Rua S. Bento 77, S. Paulo

- Apr. 14, 1916 Da Precedta, A. Alves (partner of Fonseca & Co.) Para and Rio de Janeiro.
- Mar. 24, 1916 Dannemann & Co., S. Felix, Bahia.
- Mar. 24, 1916 Dauch & Co., Rua Frei Gaspar 16, Santos.
- May 18, 1916 Deffner & Co., Manaos.
- May. 18, 1916 Dias Garcia & Co., Rua General Camara 39-43, Rio de Janeiro.
- Mar. 24, 1916 Diebold & Co., Rua S. Antonio 56, Santos.
- Mar. 24, 1916 Domschke & Co., Rua das Princezas, Bahia.
- June 8, 1916 Eiffler, Bernard, Manaos, Para and Pernambuco.
- June 8, 1916 Empresa Hoepeke, Florianopolis, S. Catharina.
- Mar. 24, 1916 Engel, Fritz, Rio Grande do Sul.
- Mar. 24, 1916 Engelhardt, Carlos, Rio Grande do Sul.
- May 18, 1916 Ferreira, J. G., Rio de Janeiro.
- Mar. 24, 1916 Fischer, Christiano, Rua Marechal Floriano 73, Porto Alegre.
- Mar. 24, 1916 Fonseca & Co. (coal merchants), Para.
- Apr. 14, 1916 Fonseca, Abilio (partner of Fonseca & Co.) Para
- June 8, 1916 Fonseca, Arthur, S. Francisco do Sul.
- Mar. 24, 1916 Fraeb & C., Rua 7 de Setembro 90, Porto Alegre; Rio Grande do Sul.
- Mar. 24, 1916 Friedrichs & Timmans, Rua dos Droguistas, Bahia
- June 8, 1916 Friedheim Aguiar & Co., Avenida Maranhense 11, S. Luiz, Maranhão.
- June 8, 1916 Fuchs, J., & Co., (Casa Fuchs), Rua S. Bento 83, S. Paulo.
- Mar. 24, 1916 Gasmotorenfabrik Deutz, Avenida Rio Branco 11, Rio de Janeiro; Rua Floriano Peixoto, P'buco.
- June 8, 1916 Green & Co., Belem, Para.
- Mar. 24, 1916 Griesbach, Max, Para
- June 8, 1916 Guimarães, N., & Co., Rua Luiz de Camões 16, Rio de Janeiro.
- June 8, 1916 Hartmann, H., Rua Barão da Victoria 25, P'buco
- Apr. 14, 1916 Hasenclever & Co., Rio de Janeiro; Rua L. Badaro 70, S. Paulo.
- June 8, 1916 Holzborn, Ernesto, Rua das Princezas, Bahia.
- Mar. 24, 1916 Hoepeke, Carl, & Co., Florianopolis, S. Catharina
- Mar. 24, 1916 Hoffman, Rudolf, W. H., Para
- June 8, 1916 Huland, Oscar & Co., Ceara
- Mar. 24, 1916 Jannowitz Wahle & Co., Rua da Candelaria 49, Rio de Janeiro; Rua S. Pedro 34, S. Paulo.
- June 8, 1916 João Silveira de Souza, Joinville.
- June 8, 1916 Jordan Gerken & Co., S. Francisco do Sul.
- Mar. 24, 1916 Krause, Irmãos & Co., (Grause Brothers), Para; Maranhão, Manaos and Pernambuco.
- June 8, 1916 Kroncke & Co., Parahyba do Norte.
- June 8, 1916 Kuehlen, Otto, Para
- Mar. 24, 1916 Landy, Carlos von, Rua Barão do Triumpho 35A, Pernambuco.
- Mar. 24, 1916 Lemcke, Carlos & Co., Porto Alegre.
- May 18, 1916 Lobo, Manaos.
- June 8, 1916 Lind, Von der, & Co., Rua das Princezas, Bahia.
- June 8, 1916 Lohse, Para.
- May 2, 1916 Louro Linhares, Florianopolis.
- Mar. 24, 1916 Magnus, James, & Co., Rua S. Pedro 96, Rio
- Apr. 14, 1916 Meyer, Irmãos & Co., Rua 7 de Setembro 165, Porto Alegre.
- Apr. 14, 1916 Monteiro, J. A., & Co., Rua de Candelaria 49, Rio de Janeiro.
- June 8, 1916 Monteiro Santos & Co., S. Paulo.
- June 8, 1916 Mosqueiro & Soure, Para.
- Apr. 14, 1916 Moreira, Julie Ceser, Rio de Janeiro.
- June 8, 1916 Naschold, Ricarrdo, & Co., Rua Henrique Dias 57, S. Paulo; Porto Alegre.
- Mar. 24, 1916 Noronha, Carlos de, Rua General Camara 22, Rio de Janeiro.
- Mar. 24, 1916 Ohliger & Co., Manaos.
- Mar. 24, 1916 Ornstein & Co., Rua S. Pedro 9, Rio de Janeiro.
- Apr. 14, 1916 Ottens, K. J., Bahia.
- Mar. 24, 1916 Overbeck, W., Rua das Princezas, Bahia.
- June 8, 1916 Petersen, Adolf, & Co., Rua do Apollo 36, P'buco
- May 18, 1916 Pradez, Pierre, Rio de Janeiro and Santos.
- Mar. 24, 1916 Pralow & Co., Para and Manaos.
- June 15, 1916 Ribeiro, Armando, Porto Alegre.
- Mar. 24, 1916 Rombauer & Co., Rua Visconde de Inhauma 84, Rio de Janeiro.
- June 8, 1916 Rothschild & Co.,* Rua 15 de Novembro 31, S. Paulo.
- May 18, 1916 Rosa Neves & Co., Florianopolis.
- June 8, 1916 Runes & Bark, Largo Monte Alegre 6, Santos.
- May 18, 1916 Cchlee, Philip, Manaos.
- Mar. 24, 1916 Schneider & Co., Rua Voluntarios da Patria 40-42, Porto Alegre.
- Mar. 24, 1916 Schoenn, Roberto, & Co., Rua da Quitanda 147, Rio de Janeiro.
- May 18, 1916 Seligmann & Co., Para.
- Mar. 24, 1916 Semper & Co., Manaos.
- July 5, 1916 Schar, Ernest, Pernambuco.
- Mar. 24, 1916 Sinner, Alfred, Rio de Janeiro and Santos.
- Apr. 14, 1916 Solheiro, Luiz (partner of Fonseca & Co.), Para
- May 18, 1916 Steinman, Emilio A., Manaos.
- May 18, 1916 Strassberger, E., & Co., Manaos.
- Mar. 24, 1916 Studer, J., & Co., Rua das Princezas 20, Bahia.
- Mar. 24, 1916 Suerdieck & Co., Rua das Princezas, Bahia.
- Mar. 24, 1916 Scholz, Manaos.
- June 8, 1916 Schumann & Co., Para.
- June 8, 1916 Simonek & Moreira, Rua do Bom Jesus, P'buco.
- June 8, 1916 Sociedade Anonyma Armazens Andresen, Manaos
- June 8, 1916 Sociedad Tubos Mannesmann Limitada.
- June 8, 1916 Steinberg, Meyer & Co., Avenida Rio Branco 65, Rio de Janeiro; S. Paulo
- June 8, 1916 Stender & Co., Bahia
- June 8, 1916 Stofen, Schnack, Muller & Co., Corumbá.
- Mar. 24, 1916 Teltcher & Co., Rua 7 de Setembro 122, P. Alegre
- Mar. 24, 1916 Trommel, A., & Co., Praça Tellas 11, Santos; Rua Alvares Penteado, S. Paulo.
- Mar. 24, 1916 Urban, Eugen, & Co., Rua Conselheiro Saiaiva 30, Rio de Janeiro; Rua S. Antonio, 63, Santos.
- Mar. 24, 1916 Vaseconcellos, José de, & Co., Pernambuco.
- Mar. 24, 1916 Vianna, Elysio, Rua 15 de Novembro, Per'buco.
- Mar. 24, 1916 Wagner, Schadlich & Co. (Casa Allema), Santos and S. Paulo.
- July 5, 1916 Weisflog, Max, Santos.
- Mar. 24, 1916 Wille, Theodor, & Co., S. Paulo, Rio de Janeiro and Santos.
- June 8, 1916 Weigandt, Para
- June 8, 1916 Weissflog Brothers, Rua Libero Badaro 70, S. Paulo.
- June 8, 1916 Westphalen Bach & Co., Rua Cons. Saraiva, Bahia
- June 15, 1916 Wolff, Eric, Pernambuco.

The following were cabled to the *Jornal do Commercio* of 18th July, but await confirmation:—

- Achim and Co., Santa Catharina.
- Banco Allemão Transatlantico.
- Banco Germanico da America do Sul
- Bercht Brothers, Porto Alegre.
- Brasilianische Bank fur Deutschland.
- Daudt and Co., Porto Alegre
- Buhle, C., Porto Alegre.
- Companhia Brasileira de Electricidade.
- De Marchi and Co., Uruguayana.
- Empresa de Navegação Mosqueiro a Soure, Para, including José Pinto and works of Velhote Silva, Viuva Mamellier, Para.
- Empresa Graphica Rio-Grandense de Porto Alegre.
- Louis Hermann & Co., Rio de Janeiro.
- Frederico Ostermeyer, Rio de Janeiro.
- Pintsch Aktiengesellschaft, Rio de Janeiro.
- Rieckmann & Co., S. Paulo.
- Alfredo Schlick and Co., Rio de Janeiro.
- Angeline Simões & Co., Rio de Janeiro.
- M. Sinjen and Co., Rio de Janeiro.
- Pedro Mauricio Steiner, Para.
- Francisco Salles Vieira, Manaos.
- Marxen Wachtel and Co., Rio Grande do Sul.
- Weissflog, Alfredo and Otto, S. Paulo.

THE FINANCIAL POSITION II.

Note.—At 12d. exchange one Conto of Reis is equivalent to £50.

	In Circulation	1915 Fund. Bds & Cash	1917 Fund. Bds	Service 1917 Cash	1918 Cash
Foreign Debt outstanding on 31st December, 1915—	£	£	£	£	£
London, 4½ per cent., 1883	2,713,000	122,090	61,044	61,045	122,090
Ditto, 4½ per cent., 1883	4,173,100	187,789	93,894	93,894	187,789
Ditto, 4 per cent., 1889	17,468,300	698,732	349,366	349,366	698,732
Ditto, 5 per cent., 1895	6,925,900	346,295	346,295	—	706,115
Ditto, 5 per cent., 1898 (Funding)	8,368,600	478,474	—	478,471	478,418
Ditto, 4 per cent., 1901 (Railway Recission)	12,935,480	517,419	210,000	496,000	706,115
Ditto, 5 per cent., 1904 (Rio de Janeiro Port Works)	7,698,100	388,754	—	388,754	388,754
Ditto, 5 per cent., 1906 (Lloyd Brasileiro)	210,500	10,525	5,262	5,262	10,525
Ditto, 5 per cent., 1908	1,839,400	91,970	45,985	45,985	91,970
Paris, 5 per cent., 1908-9 (Corumba Railway)	3,951,400	197,570	98,785	98,785	197,570
Ditto, 5 per cent., 1909 (Pernambuco Port Works)	1,600,000	80,000	80,000	—	80,000
London, 4 per cent., 1910	9,767,000	390,700	390,000	—	390,700
Paris, 4 per cent., 1910 (Goyaz Railway)	3,938,580	279,416	78,772	196,472	275,243
London, 4 per cent., 1910 (Lloyd Brasileiro)	1,000,000	40,000	20,000	20,000	40,000
Ditto, 5 per cent., (Rio de Janeiro Port Works)	4,042,900	161,716	80,558	80,558	161,716
Paris, 4 per cent., 1911 (Bahia Railways)	2,400,000	96,000	48,000	48,000	96,000
London, 4 per cent., (Ceara Railways)	2,400,000	96,000	48,000	48,000	96,000
Ditto, 5 per cent., 1913	11,000,000	550,000	275,000	275,000	550,000
Ditto, 5 per cent., 1914 (Funding)	6,605,075	396,300	—	688,581	776,362
Total, 1915	109,037,335	5,129,750	2,230,901	3,374,173	6,054,099
Ditto, 1916	4,376,356	—	—	—	—
Ditto, 1917	3,240,969	—	—	—	—
	116,655,255	5,129,750	2,230,961	3,374,173	6,054,099
Equivalent in Contos paper at 12d.	2,333,093	102,595	44,619	67,483	121,082
Guarantees of interest on N. O. and Rio Grande-S. Paulo Rlws.	—	10,000	—	10,000	10,000
Total, including guarantees, Contos paper	2,333,093	102,595	44,619	47,483	131,082
Total service, 1917	£5,605,134 or Rs. 112,202,268\$				

Actual Position of Funding Issue of 1914, according to Finance Committee's Report.

Floating Debt.

Issued 15 January, 1916	£6,605,075
To be issued 1916 and 1917—	
For service of foreign debt	5,616,524
Ditto, Recission Bonds (1916)	181,929
Ditto, lease of railways	240,000
Ditto, 1917	90,969
Payment of unpaid guarantees	2,000,000
Balance	1,524,347
Total	16,258,844
Of which in 1916	4,677,786
and 1917	3,451,637

The authorised issue was £15,000,000, consequently the balance in hand after meeting service of loans in 1916 and 1917 should be £265,503 not £1,524,347.

Internal Funded Debt in Contos of Reis.

	Capital	Service Our Estimate	Com'tee's Estimate
6 per cent. Apolices (Internal Bonds) to 5 July, 1916	833,725	—	—
Less bonds in hand for amortisation on which interest apparently is not paid	31,341	—	—
	802,384	40,119	—
4 per cent. ditto	109	4	—
6 per cent. gold bonds	110	7	—
6 per cent. ditto, 1897	450	27	35,441
5 per cent. Inscribed prem. 1927.	22	1	—
5 per cent. ditto, in «grade livro»	109	6	—
5 per cent. Uninscribed	136	7	—
	808,320	40,171	35,441

	Capital	Service Our Estimate	Com'tee's Estimate
5 per cent. gold Treasury bills £4,088,250 at 12d. (see Braz. Review, p. 407)	81,765	4,088	2,141
6 per cent. paper ditto	42,319	2,538	3,073
Balance	124,084	6,626	5,214
Treasury obligations payable on demand, as per Braz. Review, say half in Treasury bills and half in apolices, av. 5½ p.c.int.	81,994	4,509	2,577
Orphans' Fund, int., 5 per cent.	9,974	499	500
Caixa Economica (Savings Bank) and Monte de Socorro	142,196	7,821	9,500
Public deposits (no interest)	5,040	—	—
Sundry deposits	73,476	50	50
	436,764	19,505	17,841
Paper Money auth. to 7 July, '16 1,185,378	—	—	—
Responsibility for conversion of notes of Caixa de Conversão....	38,000	—	—
Apolices deposited as guarantee of fiduciary issues	165,000	—	—
	1,825,142	19,505	17,841

Summary of National Debt Outstanding.

	Milreis at 12d.
Foreign funded, 1917	2,333,093,200\$
Internal funded, 1917	803,320,000\$
Floating foreign debt and interest payable on demand	436,764,000\$
Total interest bearing	3,573,177,200\$

	Milreis at 12d.
Total interest bearing	3,573,177:200\$
Paper money in circulation	1,185,378:000\$
Responsibility of Treasury for conversion notes...	38,000:000\$
Total	4,796,555:200\$
Apolices or internal bonds deposited in guarantee for fiduciary issues	165,000:000\$
Grand total	4,961,555:200\$

Service of Foreign and Internal Funded and Floating Debts of the Union in 1917.

	Our Estimate	Estimate of Finance Com.
Foreign debt payable in cash	£3,374,173	£3,466,835
Ditto, in funded bonds	2,230,961	2,021,962
	£5,605,134	£5,488,797
Stamp tax in London	200,000	200,000
Commission	32,269	32,269
	£5,837,403	£5,721,066
Guaranteed interest	500,000	Omitted
	£6,337,403	£5,721,066
Floating Debt—		
Treasury Bills payable London, amortisation 1917	Omitted	2,411,285
Interest on ditto	97,000	107,064
	£6,434,403	8,239,415
Allowing for amortisation in 1917 of Treasury bills to value of	2,411,285	—
	8,845,688	—
Up to July the gold Treasury bills for which amortisation was allowed in estimates of 1916 are still outstanding to value of and if not paid off in 1916 must be paid in 1917	1,856,000	—
Interest on same	107,000	—
	£10,808,688	£8,239,415

	Milreis at 12d.
Equivalent at 12d. to	216,173:760\$
Interest on Treasury bills payable in paper	2,538:000\$
Interest on further issues required for payment of claims payable on demand	4,509:000\$
Orphans Fund	499:000\$
Caixa Economica (Savings Bank) ..	7,821:000\$
Other Deposits and sundry	50:000\$
Service of internal funded debt....	40,171:000\$
Amortisation of Treasury bills payable in paper	32,319:000\$
	304,080:760\$
Difference	88,152:460\$
Deficit as per Finance Committee Estimates for 1917	49,245:664\$
Real deficit for 1917	137,398:124\$

The difference, of 88,152:460\$ between our's and the Committee's Estimates is accounted for as follows:—	
Difference in computation of service of foreign debt, plus £10,064 allowed by Committee for interest on gold Treasury bills in 1917	£106,273
(A) Railway, etc., guarantees allowed for by us for 1917	500,000
Amortisation of gold Treas. bills allowed for in Estimates of 1916, but still outstanding.....	1,856,000
Interest on same	107,000
	£2,569,273

at 12d. equivalent to	+ 51,385:460\$
(B) Difference interest on Treasury bills payable in paper	— 535:000\$
(C) Interest on further issues required for payment of claims payable on demand	+ 1,933:000\$
Interest on Orphans' Funds	— 1:000\$
Interest Caixa Economica—the Committee's estimate probably including some amortisation ..	— 1,679:000\$
(D) Service of Interest on Funded Debt.....	+ 4,730:000\$
(E) Amortisation of Treasury bills payable in paper—not allowed for in Committee's estimate +	32,319:000\$
Net excess	+ 88,152:460\$

- (A) This is composed of £86,815 for guaranteed interest on North Western Railway and £413,184 for the Rio Grande-S. Paulo Railway for the two half-years 1913-14. In the estimates of the Ministry of Public Works, Rs. 8,650:626\$ gold and Rs. 2,006:380\$ paper, equivalent at 12d. to Rs. 21,781:455\$ or £1,089,9072 are allowed for guaranteed interest for 1917.
- (B) Interest allowed by ourselves 5 per cent on £4,088,256 outstanding Treasury bills and by the Committee on only £2,131,285.
- (C) We estimate further issues at 81,994:000\$ paper and interest at Rs. 4,509:000\$, whilst the Committee estimate the former at Rs. 51,534:600\$ and interest at Rs. 2,577:000\$.
- (D) Part of the difference is due to the issue of 50,000:000\$ in July not being included in Committee's estimate. The rest we are unable to account for.
- (E) No provision made in Committee's estimate.

In 1915, the balance in favour of exports, inclusive of specie, was the largest on record, amounting to Rs. 536,694:000\$ currency, equivalent to £27,986,000.

In 1915 the balance of trade was abnormal, the effect of restriction of imports brought about by the crisis and the war, and fair prices and active demand for Brazilian produce of almost every description.

What prices may be in 1917 it is impossible to surmise. The coffee crop may be large and prices fall, or may rise if the war should come to an early close. Imports, however, are increasing and after the war should increase very much more, seeing that stocks of all kinds of merchandise are extremely low and, after 2 to 3 years' suspension, railway and other public enterprises will inevitably require to import materials for upkeep on a large scale.

Balances in favour of Exports of Merchandise and Specie respectively for 12 months, 1915, were as follows:—

	Contos paper	£
Merchandise	439,638	£22,862
Specie	97,056	5,104
	536,694	27,966

Five months, January-May:—

	1915	1916	Shrinkage	%
Merchandise	190,549	157,650	32,899	17.3
Specie	59,863	1,049	58,814	98.3
Both	250,412	158,699	91,713	36.6

In view of the insignificant balance at the Caixa de Conversão (£5,000,000), it would be well not to count on any considerable shipments of specie, but that export values for the future will be restricted, practically, to merchandise.

Applying the percentages of shrinkage for the five months, 1916, to the balance in favour of exports of merchandise in 1915, (the maximum recorded) the most that can be reasonably expected in 1916 is Rs. 264,900,000\$.

Allowing 216,174,000\$ for service of foreign debt and Treasury obligations in London for 1917, the balance available for all other remittances would be 148,726,000\$, equivalent to £7,436,300.

We see no reason to expect that the balance in favour of exports will be greater in 1917 than estimated for 1916, but, even should the war have come to an end by that time, that improvement in the volume and value of Exports, consequent on restoring by the Central Empires, would to a large extent be counter-balanced by a livelier demand for imports.

The surplus of £7,436,300, that exports may be expected to yield in 1916 and inferentially for 1917, after meeting all Treasury engagements, is all that would remain to cover remittances of every other kind, inclusive of the service of the foreign loans of different States and Municipalities, profits of foreign banks, railways, shipping concerns, etc., domiciled in this country. No figures are available at the moment for appraisal of such requirements, but, seeing that the service of the foreign debt of the State of S. Paulo alone requires a million sterling and the S. Paulo Railway Co. half a million more, it is clear that a balance of £7,436,300 would not go far towards meeting the other foreign obligations and, consequently, that, even in the best hypothesis, the tendency of foreign exchanges would be to fall, apart from the inevitable effect that the increase in the volume of the inconvertible currency is bound to exercise on its value directly the conditions of oversea trade are enormalised and high rates of interest in Europe lead to withdrawal of foreign and even native capital from this country.

The fact that, in spite of the suspension of specie payments to the tune of about £5,200,000 on the federal debt alone both in 1915 and 1916, and of an unprecedented balance of nearly £28,000,000, inclusive of specie, in favour of exports, foreign exchanges slumped from 15 43-64d., the average rate for July, 1914, to 11 31-32d. by December, 1915, and to date (July 13th) has recovered only to 12 5-8d., shows unmistakably that, however the mere balance of trade may be in favour of this country, the improvement in the balance of foreign payments measured by exchange, has been very slight.

By the increase in specie payments by some £6,000,000 in 1917, on the supposition that outstanding Treasury bills will have all been paid off, the state of actual unstable equilibrium between the demand and supply of bills will, as far as can be seen, be upset again and the balance of payments turn once more against the country.

The anxiety of the Brazilian Government to respect engagements with its creditors by renewing specie payments next year at any cost is doubtless highly creditable, were it realisable. But to renew payments next year only to be obliged to suspend them again, perhaps the year after, could not improve the credit of the country in the long run.

Besides, if the figures in another column are to be trusted, there seems no possible manner in which the deficit of over Rs. 137,000,000\$ can be possibly covered by mere taxation!

To raise enough to cover even a deficit of Rs. 40,000,000\$ the Treasury was obliged to propose taxation of many of the absolute necessities of life, fortunately disapproved.

In substitution, the creation of an income tax and of super-taxes on rent have been likewise proposed and seem likely to be rejected, and even were they adopted, it is extremely questionable whether they would eventually yield what was expected and certainly not during the coming year, when it is proposed to renew specie payments on the foreign debt in full.

How, then can the much larger deficit of Rs. 137,398,124\$ in 1917 be dealt with, except by further ruinous issues of apolices (infernal bonds), the service of which will only add to the difficulties of the Treasury, or, of paper money, bound in the long run to react on foreign exchanges?

By the exercise of the strictest economy the Administration might succeed in some further reduction of expenditure, but that alone will never suffice to reestablish budgetary equilibrium.

The taxation of profits resulting from the depreciation of the currency and rise of currency prices of exports might be a legitimate source of revenue, were it not that the right to tax exports is reserved by the Constitution to the States. That, however, could be got over by taxing, not the exports themselves, but the medium—Bills of Exchange or of Lading.

It is notorious that the Treasury is in one way or another is defrauded off a great part of its revenues, though the extent to which it has been carried is not generally understood.

A careful comparison of customs revenues based on the specific and ad valorem duties payable on c.i.f. values of imports for the three years 1910-12, with the revenue actually accounted for, shows the following results:—

	Contos paper
C.I.F. value	2,468,746
Actual Customs Revenue (38.6 per cent. of c.i.f.).....	953,018
Calculated Customs Revenue (56.2 per cent.)	1,387,093
Difference (17.6 per cent.)	434,075

Ratio of calculated to actual duties 68.7 per cent. and reciprocally 145.5 per cent.

If these figures are correct, in three years the Treasury has failed to receive revenues to the value of Rs. 434,075,000\$, or, at the rate of Rs. 144,692,000\$ per annum!

Calculated revenues based on declared values and specific and ad valorem duties for imports, owing to divergency of classification by the Statistical and Customs Departments, can only be approximate. But, whatsoever modifications more thorough revision might result in, it is certain that a very considerable proportion of customs revenue fails year by year to reach the Treasury.

Since 1912, the movement of Imports and Revenue has been modified as follows:—

	Rs. paper.
C.I.F. Value, 1915	582,496,000\$
Actual Customs Receipts, Rio, 1915, according to the Treasury estimates	155,121,000\$
Calculated receipts	225,701,000\$
Difference	70,580,000\$

Failing leisure to calculate the Revenues for 1915 in detail, as was done for the three years 1911-13, on the supposition that the ratio of actual to calculated revenues was the same for the year 1915 as for the three years 1911-1913, the loss to the Treasury in 1915 would be Rs. 70,580,000\$ paper!

It may be more, it may be less, but, in any case, must have been considerable and if collected have gone far towards rectifying deficits.

Properly fiscalised, there seems little doubt as to whether Customs Revenues might not be brought to yield sufficient to cover ordinary expenditure without resource to extraordinary and burdensome taxation.

In conclusion we may add, that even were new taxes created, or the mechanism of collection of duties at the customs reformed, it would be necessarily a long time before they could become really effective and meanwhile deficits would accumulate.

Since December, 1913, the volume of paper money in circulation has been raised by Rs. 483,890,263\$, from 601,488,303\$ to 1,085,378,566\$ or 80.4 per cent.!

It is true that, simultaneously, the volume of convertible or gold notes has been likewise reduced, from the maximum of Rs. 419,0699,170\$ in February, 1913, to Rs. 94,559,930\$ or 77.4 per cent., so that total notes now in circulation, convertible and inconvertible, show an actual net increase of only 159,380,603\$, or only 15.6 per cent.

Conclusions. The certainty of renewed and heavy deficits this and next year, and uncertainty as to the course of exchange, seem to us to put successful renewal of specie payments in 1917 out of the question.

Instead of making any hard and fast engagements, impossible, perhaps, to observe, the logical and sensible course to pursue, whilst cutting down expenditure to the irreducible minimum, would be to create fresh resources and develop those already in existence and thereby ensure a surplus and constitute a fund, fiscalised by the representatives of foreign creditors, to be turned into sterling without unduly depressing foreign exchanges as occasion offers, taking 12d. as the basis.

With a gold reserve of only £5,000,000 to rely on, it is clear that expenditure, home and foreign, must be met in paper money. In the absence of foreign loans or importation of foreign capital, the rate of conversion of paper revenues to gold depends on the relation of the supply of sterling bills of exchange to the demand, and to the modification of each introduced by oversupply of paper money and speculation.

Fundamentally, the problem to be faced is how to meet foreign engagements without unduly depressing foreign exchanges.

For this there is but one radical solution—stimulation of exports by means of foreign and local capital.

From Europe, in its exhausted condition, little assistance can be expected and it is to the United States that this country must turn. So long, however, as the taxation of exports is liable to be arbitrarily raised at the will of the 14 different States and Provinces, and profits on production to be thus circumscribed, it seems hopeless to expect that an adequate amount of foreign capital will be forthcoming.

Could, however, an agreement be come to between the different States for fixation of a reasonable maximum rates of duty on exports during the next 20 years, foreign capital would be attracted and a great impulse given to production.

The foreign debt of the Union will, in 1917, amount to £117,157,000 and, on the basis of the maximum f.o.b. value of £64,849,000 in 1913, could be paid off by exports in 1.8 years, and on the basis of f.o.b. value of £58,970,000 for 1915 in two years. If, then, the f.o.b. value of exports could be increased 50 per cent., they would suffice to pay off the whole foreign debt in about 1½ years and put all the Treasuries, Union and States', in a position to meet all engagements and spread prosperity throughout the land.

To attain this desideratum two conditions, however, are essential—stability of taxation and of the value of the circulating medium.

Once the essentials are thoroughly understood and the requisite measures adopted, capital would not be wanting to help this country over its difficulties.

REPORTS OF COMPANIES

Leopoldina Terminal. The report of the Leopoldina Terminal Company for 1915 states that the net revenue amounted to £66,905, which, with the balance from 1914, £5,947, makes £72,852. Interest on 5 per cent. first debentures paid and accrued absorbs £61,855, sinking fund charge for redemption of debentures £6,895, and income-tax £364, leaving a balance of £3,738, which is proposed to be carried forward. The net receipts of the Cantareira Company for the year, exchange being calculated at 12 1-32d. per milreis, amounted to £60,413, as compared with £85,589 in 1914, when exchange was taken at 14d. The total number of shares in the Companhia Cantareira e Viação Fluminense acquired by the Terminal Company amounted at 31 December, 1915, to 45,599 out of 50,000.

Great Western of Brazil Railway. The ordinary general meeting of the Great Western of Brazil Railway Co., Ltd., was held at River Plate House, Finsbury Circus, E.C., Mr. Follett Holt (chairman of the company) presiding. The Secretary (Mr. H. Tattam) having read the notice calling the meeting and the auditor's report, the Chairman, in the course of moving the adoption of the report and accounts, said: The continued depression of Brazilian exchange and the repeated weekly decrease in our traffic returns must have prepared you to some extent for the very poor results obtained from working the railway. It has been extremely disappointing to us to have to present so poor a document, but I hope that you have studied carefully the figures given and appreciate that a combination of adverse circumstances is responsible for the position in which we are temporarily placed. The statistics in the report show how heavily the war has burdened our undertaking. In past years, with lesser capital responsibilities, we have withstood with more or less success the effects of bad crops, but the larger capital now to respond for and with a longer line to maintain and a more elaborate train service to conduct, it has been found impossible to meet the combination of a bad crop, trade stagnation and a slump in exchange without imposing the loss of dividend upon the shareholders. Our feeling, however, is that the shareholders, on account of the changed conditions of the last few years, have suffered unduly, and consequently we are at the present time asking the Federal Government to revise the terms of our contract in order that your position, without any real prejudice to the development of business in the zone we serve, may be made more safe. The necessary negotiations are being conducted in Rio by our legal representatives and our general manager, and the knowledge these gentlemen have of our affairs and their high position in the country render them well fitted to represent our interests. The system as it stands to-day had been pieced together from a number of small railways, and in the consolidation of these we had to make certain contracts with the Federal Government. You will be able to understand, therefore, that in Brazil, with successive Governments to deal with, temporary misunderstandings and difficulties must also occasionally arise. We have had in past years many difficulties to overcome, but we have found that a just and straightforward cause, when presented at the right time and in the right manner, has always been met in a fair and reasonable spirit by the Government, and we hope, therefore, that on this occasion we shall receive the same friendly consideration and find a satisfactory solution to all outstanding questions. If this settlement is brought about, it will be one which, whilst safeguarding the interests of the shareholders, will benefit the inhabitants of the zone served by our railway, for we shall be able then to continue the efficient conduct of our business, and when normal times return proceed with the further development of our system.

There is little to add to what I said at the last general meeting on the subject of the Alagoas and Northern Railway. We are advised that the concessionaire, who obtained a concession some years before ours was granted, has been able to secure a decision in the courts maintaining his concession under certain conditions, this being, you will understand, a matter between him and the Alagoas Government. As I advised you, the work carried out on our line is wholly on our property, and as it is within the privileged zone of the Great Western Company, the work is not imperilled in any way by the fact that we shall ultimately require a new concession before any section of the line is placed in public service. The Government of Alagoas fully recognises our position and when they have settled their domestic differences we are promised an amended concession which will reconstruction of the line in a new sugar cane district which is in great need of development. Meantime the matter is not pressing in any way, for obviously it is as important to Brazil as it is to us that all available funds should be preserved for use against the common enemy of all civilised countries. The fuel question during the past year has been a serious one and caused much anxiety. The price of coal has now become almost prohibitive, but the use of wood is being successfully extended and we hope to prevent our expenses from being again unduly increased on this account. In times like these, when the greatest economy possible in every item is essential, it is very advisable that the

general manager should be capable of judging from his own knowledge what is or what is not necessary expenditure in each of the departments and of taking upon his shoulders full responsibility in this respect. Fortunately for us, Mr. Jungstedt, who has been our general manager for the last two years, is a skilful and experienced engineer, capable of carrying this responsibility, and we have every confidence that the economies introduced and being introduced have not and will affect adversely the condition of your property. Thanks to his good work, we believe that we shall find it possible eventually to work the lines more efficiently than before and with improved financial results, subject, of course, to the revision of the contract with the Government to which I have referred.

It must always be borne in mind that the care and thought expended on the management and control of Anglo-Brazilian public enterprise may prove fruitless unless stability is maintained in exchange. The great importance attached to the stability of a nation's foreign exchange is shown by the extraordinary efforts that have been made by our country and other belligerents to maintain their exchanges during the war, and we all know how the world is watching the value of the mark as an index to the financial position of Germany. It has therefore been very disappointing to Brazil's very sympathetic friends in the City of London to see the great break in her exchange. The war crisis came to the world at a most inopportune moment for Brazil, but it was hoped that the cessation of remittances for the service of foreign loans and the great restriction of imports would increase the trade balance in favour of that country to such an extent as would cause exchange to recover to the 16d. value. The balance of trade improved during 1915 very largely compared with 1914, and no doubt a good effect on exchange would have been forthcoming had it not been for the amount of internal indebtedness, which we learn from 'The Times' necessitated the expansion of the inconvertible currency since August, 1914, by no less than 66 per cent., equivalent to about £20,000,000. This inflation of the currency has served to counter-balance the good influence of the favourable trade balance, and it seems a little hard that the clearing up of internal indebtedness should have weighed so heavily upon the foreign investors, who have at this time their own very heavy burden to bear. It is, however, comforting to see that the efforts that have been made by Brazil to straighten out the position appear at last to be taking effect and the recent rise in exchange gives us fresh hope for the future.

You will have been glad to note that recently the traffic receipts have shown improvement. We are also encouraged by the reports of the prospects of the new crops received from the general manager, and we hope therefore that we are nearing the end of a very bad period, which has proved uncomfortable alike to the shareholders and all responsible for the working of the railway. The following cable received from the manager yesterday will give you the latest news from Pernambuco: 'Weather conditions most favourable throughout our zone; if these continue harvest traffic will be considerably above normal, and crushing of sugar cane will commence early and probably continue until May. Area planted cotton and cereals nearly doubled.' The Chairman, in conclusion, said that a very encouraging telegram had been received from their agent in Rio, who thought he would achieve a satisfactory result to his negotiations.

Mr. Woodbine Parish seconded the resolution and it was carried unanimously. The usual formal business was then transacted.

MONEY

Official Quotations, Exchange Camara Syndical and Vales:—

	90 dys	Sight	Sovs	Vales
Monday, 10 July	12 45-64	12 37-64	19\$500	1\$928
Tuesday, 11 July	12 47-64	12 39-64	19\$500	2\$179
Wednesday, 12 July..	12 23-64	12 19-32	19\$600	1\$928
Thursday, 13 July	12 43-64	12 35-64	19\$500	1\$928
Friday, 14 July		Holiday		
Saturday, 15 July		Holiday		

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

Cable rates London on New York: \$4.76 7-16 all week.

Cable rates Rio on New York:—July 10th and 11th, 4\$010; 12th, 4\$040; 13th, 4\$070; 14th and 15th, holidays.

Monday, 10th July. All banks opened at 12½d., the market being paralysed all day until towards close, when some money appeared at 12½d., but no bills were offered.

Tuesday, 11th July. Some of the banks opened at 12½d. and the rate advanced to 12 25-32d., with money for banks offered at 12 13-16d., at which rate a fair business was done for future delivery. In the absence of bills rates weakened and market closed with some money offering for banks at 12½d.

Wednesday, 12th July. All banks opened at 12 23-32d., some immediately afterwards offering to draw at 12½d., but, finding money, retired to 12 23-32; no bills offered at any rate. Market closed at 12 11-16d. in some banks and 11 23-32d. in others for market. No money offering at first, but a little later on at later rate. No bills offered.

Thursday, 13th July. Banks opened at 12 11-16d., some offering to draw at 12 23-32d., but rates declined until at close banks were not eager drawers at 12 5-8d. No bills offered from anywhere, either here, at Santos or along the coast.

Friday and Saturday, 14th and 15th July. Holidays.

Rio de Janeiro, 15th July, 1916.

Ninety days' rate on London closed on Saturday, 8th July, at 12 11-16d., opened on Monday at 12½d., improved to 12 25-32d on Tuesday, but closed on Thursday, 13th, at 12 5-8d., Friday and Saturday being observed as holidays.

It is early yet to judge coffee entries which, following the policy adopted by the S. Paulo Government for the last two crops, would seem to be limited to 40,000 bags per diem. Embarkations improved slightly, their f.o.b. value for the week being £290,000, as against £152,000 for previous week of 6 days.

Stocks are increasing and at 1,300,000 are well over the million at the two ports. For the first time for over a month shipments (11,125 bags) were registered to Scandinavia.

From the exchange point of view, the coffee movement cannot be termed rosy, and shipments for the crop, it is to be feared, will show a considerable falling off compared with last year.

Rubber continues to drop slowly, but entries from the near districts only begin in August and from the sertão in September and October. The prospects on the Amazon, thanks to low exchange, are promising.

Contrary to expectations, Dr. Custodio Magalhães will reopen the exchange department of the Bank of Brazil on 1st August. It would be interesting to learn against what credits have been opened and whether the £2,000,000 in deposit at Rothschilds is intended to do double service as security for bank credits and renewal of specie payments in July next year as well.

The privileged position of the Bank of Brazil enables it to offer 1-32d. better than the other banks or if in values of £1,000 or more, nearly 1-16d., and were it not for the preference the market shows for bills of the foreign banks, the Bank of Brazil might sweep the market.

Sooner or later, the question must be raised as to the legality of the differential taxation of bills in favour of a private institution like the Bank of Brazil.

Bills are very scarce all along the coast.

With 8 per cent. ruling here as the rate of interest and discount, and the large amount of unemployed money in the Brazilian banks, amounting on 31 May to 387,708,000\$, as against 311,799,000\$ in 1915; the raising of the rate of discount to 6 per cent. by the Bank of England is another bear factor.

So far we can see no reason to expect much improvement in exchange, though it is possible that when shipment of coffee to the States begins in earnest there may be some transitory improvement.

COMPANHIA COMMERCIAL DE SÃO PAULO

P. O. BOX 1113.

CABLE ADDRESS "WYSARD"

SÃO PAULO

Codes Used: A.B.C. 5th Edition, Liebers, Bentleys, Brasileira Universal.

IMPORT. COMMISSIONS. CONSIGNMENTS.

Catalogues & Correspondence Invited.

COFFEE

Entries at the two ports show an increase of 6,145 bags compared with previous week of 6 days and decrease of 65,514 bags compared with corresponding week last year.

For the crop to 13 July entries show shrinkage of 116,443 bags at the two ports or 21.5 per cent.

Clearances show improvement and for the crop to 13th July show increase compared with last year of 2,577 bags at the two ports.

F.O.B. value per bag improved to £2.323 from £2.234 for previous week.

Embarques (loadings) at Rio and Santos for the week ended 13 July show a slight increase of 2,634 bags compared with previous week of 6 days, but shrinkage of 6,412 bags compared with same week last year, their f.o.b. value at £2,323 per bag being £290,000, as against £152,000 for previous week of 6 days.

Stocks at the two ports on 13th July were 1,300,926 bags, an increase compared with July 6th of 103,653 bags, of which 5,928 at Rio and 97,725 at Santos.

Sales (declared) for the week ended 13 July show shrinkage of 23,301 bags compared with previous week of 6 days, but an increase of 4,788 bags compared with same week last year.

Of the total of 161,939 bags **Sailed**, 54,000 went to the States, 11,125 to Scandinavia, 26,171 to France, 63,296 to rest of Europe and Mediterranean, 2,819 to the Plate and 4,528 coastwise.

Prices were as follows:—

	Average	Closing
Rio—No. 6 per 10 kilos	6\$780	—
No. 7	6\$566	—
No. 8	6\$239	—
No. 9	6\$021	—
Santos—Superior	7\$000	—
Good average	5\$300	—
Type No. 6	5\$600	—
New York—Options, September	8.28c.	8.37c.
December	8.42c.	8.49c.
March	8.59c.	8.70c.
Havre—September options	73f.10	—
December	71f.46	—
March	70f.12	—
London—September options	48/1	47/9
December	50/1	—
March	50/3	49/9

Coffee Statistics

ENTRIES.

IN BAGS OF 60 KILOS.

During the week ending July 13th, 1916.

RIO	FOR THE WEEK ENDED			FOR THE CROP TO	
	Jul. 13 1916	Jul 6 1916	Jul. 15 1915	Jul. 13 1916	Jul 15 1915
Central and Leopoldina	19,037	19,966	38,735	39,003	79,178
By	121	—	1,642	121	3,058
Inland	575	4,485	494	5,064	3,522
Coastwise, discharged ..	—	—	—	—	—
Total	19,733	24,451	40,173	44,184	85,758
Transfer to from Rio to	—	—	976	—	1,237
Nietheroy	—	—	—	—	—
Net Entries at Rio	19,733	24,451	39,197	44,184	84,521
Nietheroy from Rio &	—	—	4,705	—	6,664
Leopoldina	—	—	—	—	—
Total Rio, including	19,733	24,451	43,902	44,184	91,185
Nietheroy & transit.	190,218	166,384	237,593	381,633	451,085
Total Santos :	—	—	—	—	—
Total Rio & Santos.	215,581	209,836	281,495	425,817	542,270

The total entries by the different S. Paulo Railways for the Crop to July 13th 1916 were as follows

	Past Jundiahy	Per Sorocabana and others	Total at S. Paulo	Total at Santos	Remaining at S. Paulo
1915/1916	366,675	16,081	352,756	381,633	—
1914/1915	437,293	15,990	453,283	451,085	—

FOREIGN STOCKS.

IN BAGS OF 60 KILOS.

	July 13/1916.	July 6/1916.	July 15/1915.
United States Ports ...	1,228,000	1,353,000	1,273,000
Havre	2,115,000	2,102,000	1,554,000
Both	3,343,000	3,404,000	2,827,000
Deliveries United States	35,000	94,000	86,000
Visible Supply at United	—	—	15,900
States ports	1,335,000	1,390,000	1,559,000

SALES OF COFFEE.

During the week ending July 13th, 1916.

	July 13/1916.	July 6/1916.	July 15/1915
Rio	22,858	15,154	81,982
Santos	120,000	151,050	106,188
Total	142,858	166,154	188,170

COFFEE LOADED (EMBARQUES).

IN BAGS OF 60 KILOS.

	DURING WEEK ENDED			FOR THE CROP '10.	
	1916 July 13	1916 July 6	1915 July 15	1916 July 13	1915 July 15
Rio.....	26,296	31,757	36,005	68,053	76,594
Nietheroy.....	—	—	5,485	—	7,530
In transit.....	—	—	—	—	—
Total Rio including Nietheroy & transit.....	26,296	31,757	41,440	68,053	84,124
Santos.....	58,523	90,425	89,791	188,951	202,208
Rio & Santos.....	124,819	122,185	131,231	247,004	286,332

VALUE OF COFFEE CLEARED FOR FOREIGN PORTS.

During the week ending July 13th, 1916.

IN BAGS OF 60 KILOS.

	July 13	July 6	July 13	July 6	Crop to July 13/1916	
	Bags	Bags	£	£	Pags	£
Rio.....	11,125	26,132	24,410	55,559	37,257	79,969
Santos.....	146,286	52,115	341,300	119,229	198,401	460,529
Total 1915/1916.....	157,411	78,247	365,710	174,788	235,658	540,498
do 1914/1915.....	117,840	115,241	217,922	218,272	233,081	436,194

COFFEE SAILED.

During the week ending July 13th, 1916, were consigned to

the following destinations:—

IN BAGS OF 60 KILOS.

PORTS	UNITED STATES	EUROPE & MEDITERRANEAN	COAST	RIVER PLATE	CAPR	OTHER PORTS	TOTAL FOR WEEK	CROP TO DATE
Rio.....	—	11,125	2,780	—	—	—	13,805	39,505
Santos.....	54,600	89,467	1,548	2,819	—	—	148,134	201,639
1915/1916.....	54,600	100,592	4,528	2,819	—	—	161,939	241,544
1914/1915.....	81,387	27,066	6,721	5,837	—	3,556	124,561	246,752

OUR OWN STOCK.

IN BAGS OF 60 KILOS.

RIO Stock on July 6th, 1916.....	203,372
Entries during week ended July 13th, 1916.....	19,73
Loaded «Embarques», for the week July 13th, 1916.....	223,105
STOCK IN RIO ON July 13th, 1916.....	26,296
Stock at Nietheroy and Porto da Madama on July 6th, 1916.....	10,301
do Afloat on July 6th, 1916.....	114,771
Entries at Nietheroy plus total «embarques» including transit.....	26,296
Deduct: «embarques» at Nietheroy, Porto da Madama and Vianna and sailings during the week July 6th, 1915.....	151,868
STOCK IN NICTHEROY AND AFLOAT ON July 13th, 1916.....	13,805
STOCK IN 1st and 2nd HANDS and THOSE AT NICTHEROY and AFLOAT ON July 13th, 1916.....	137,563
SANTOS Stock on July 6th, 1915.....	334,372
Entries for week ended July 13th, 1915.....	868,829
Loaded «embarques» during same week.....	196,248
STOCK IN SANTOS ON July 13th, 1916.....	1,065,077
Stock in Rio and Santos on July 13th, 1916.....	98,523
do do on July 6th, 1916.....	966,554
do do on July 15th, 1916.....	1,500,925
do do on July 15th, 1916.....	1,197,27
do do on July 15th, 1916.....	948,51

COFFEE PRICE CURRENT.

During the week ending July 13th, 1916.

	July 7	July 8	July 16	July 11	July 12	July 13	Average	Closing Jul 15
RIO—								
Market N. 6 10k..	5.741	6.673	6.711	6.809	6.741	6.377	6.780	—
» N. 7	6.537	6.669	6.537	6.605	6.537	6.605	6.566	—
» N. 8	6.261	6.196	6.261	6.321	6.262	6.332	6.293	—
» N. 9	5.992	5.921	5.992	6.080	6.082	6.060	6.021	—
SANTOS—								
Superior per 10 k..	7.000	7.000	7.000	7.000	7.000	7.000	7.000	—
Good Average	5.303	5.300	5.300	5.300	5.300	5.300	5.300	—
Base N. 6	5.600	5.600	5.600	5.600	5.600	5.600	5.600	—
N. YORK, per lb..								
Spot N. 7 .. cent.	—	—	—	93/8	—	—	—	—
» N. 8 ..	—	—	—	91/8	—	—	—	—
Options—								
» Sept.....	824	820	825	838	829	835	828	837
» Dec.....	835	833	843	853	842	847	842	849
» Mare.....	855	849	863	870	866	864	859	870
HAVRE per 50 kilos								
Options..... francs								
» Sept.....	72.00	72.15	73.06	73.75	—	74.00	73.10	—
» Dec.....	70.50	71.00	71.25	72.00	71.75	72.25	71.46	—
» Mare.....	69.25	70.25	70.00	71.00	—	—	70.12	—
HAMBURG per 1/2 k								
Options..... pfennig								
» Sept.....	—	—	—	—	—	—	—	—
» Dec.....	—	—	—	—	—	—	—	—
» Mare.....	—	—	—	—	—	—	—	—
LONDON cwt.								
Options..... shillings								
» Sept.....	48/-	47/6	48/-	48/6	48/6	49/-	48/1	47/9
» Dec.....	—	—	—	—	—	50/-	50/0	—
» Mare.....	50/3	0 -	50/-	51/-	51/-	—	50/3	49/5

MANIFESTS OF COFFEE.

RIO DE JANEIRO.

During the week ending July 13th, 1916.

11—P. CHRISTOPHERSEN—Stockholm	Jessouroun Irmaos	2,125
Ditto—	M. da Costa Almeida	1,000
Ditto—Sundswall	Pinto & Co	2,000
Ditto—	Jessouroun Irmaos	500
Ditto—Hudicksvall	Jessouroun Irmaos	1,000
Ditto—	Norton Megaw & Co	500
Ditto—	Eugen Urban & Co	250
Ditto—Gefle	Norton Megaw & Co	1,000
Ditto—	Pinto & Co	250
Ditto—	Jessouroun Irmaos	250
Ditto—Gothemburg	M. da Costa Almeida	500
Ditto—	Hard. Rand & Co	250
Ditto—	Jessouroun Irmaos	250
Ditto—Bergen	Eugen Urban & Co	500
Ditto—Norkoping	Jessouroun Irmaos	250
Ditto—Malmo	Hard. Rand & Co	250
Ditto—Christiania	Castro Silva & Co	250
Total overseas		11,125

COASTWISE.

3—IBIS—Ceará	Ornstein & Co	420
Ditto—Natal	Ornstein & Co	110
Ditto—Pernambuco	Ornstein & Co	80
Ditto—	Eugen Urban & Co	20
Ditto—Mossoro	Eugen Urban & Co	60
6—A. JAÇEGUARY—Penedo	Zenha Ramos & Co	10
6—PARA—Maranhao	Eugen Urban & Co	485
Ditto—	Theodor Wille & Co	190
Ditto—	Ornstein & Co	80
Ditto—Pará	Theodor Wille & Co	310
Ditto—	Castro Silva & Co	130
Ditto—	F. H. Walters	110
Ditto—Manaos	Eugen Urban & Co	200
Ditto—	Sequeira & Co	50
Ditto—Pará	Theodor Wille & Co	30
Ditto—	Ornstein & Co	15
Ditto—Maceió	Theodor Wille & Co	30
Total		1,630

7-SATELLITE-Porto Alegre	De Lamare Faria & Co.	250
10-AMAZONAS-Mossoro	Eugen Urban & Co.	100
	Total coastwise	2,600

SANTOS.

3-BRASILE-Genoa	Nauman Gepp & Co.	3,000
Ditto	Enea Malagutti	3,000
Ditto	G. Masini & Co.	1,639
Ditto	Levy & Co.	625
Ditto	Cia. Puglisi	670
Ditto	Antonio Poli	500
Ditto	J. d'Almeida Cardia	500
Ditto	S. A. Martinelli	3
Ditto	Belli & Co.	5
Ditto	I. R. F. Matarazzo	2,000
Ditto-Naples	Levy & Co.	875
Ditto	Cia. Puglisi	200
Ditto	Villas Boas & Co.	545
Ditto	Leme & Co.	300
Ditto	A. Baccarat	125
Ditto-Consumption	Nino Reganetto	4
		13,991

4-ZEELANDIA-Amsterdam	Cia. Prado Chaves	3,330
Ditto	Hard. Rand & Co.	3,100
Ditto	Nauman Gepp & Co.	3,000
Ditto	Société F. Bresilienne	1,600
Ditto	R. Alves Toledo & Co.	1,450
Ditto	M. Wright & Co.	1,350
Ditto	Grace & Co.	1,200
Ditto	Whitaker Brotero & C.	1,150
Ditto	Leme Ferreira & Co.	1,000
Ditto	Malta & Co.	795
Ditto	Ed. Johnston & Co.	950
Ditto	Levy & Co.	950
Ditto	Leon Israel & Co.	750
Ditto	Santos Coffee Co.	600
Ditto	Raphael Sampaio & C.	500
Ditto	G. Trinks & Co.	500
Ditto	Nossack & Co.	400
Ditto	Zerrenner Bulow & C.	400
Ditto	Nioac & Co.	400
Ditto	Picone & Co.	200
Ditto	Leite Santos & Co.	200
Ditto	A. Reisman	2
Ditto	Borges Telles	2
		29,009

5-AMAZON-Buenos Aires	Ed. Johnston & Co.	721
Ditto	R. Alves Toledo & Co.	180
Ditto	Société F. Bresilienne	89
		990

5-INDIANA-Genoa	Levy & Co.	2,500
Ditto	Société F. Bresilienne	2,000
Ditto	Enea Malagutti	2,000
Ditto	Souza Queiroz Lins	1,625
Ditto	Cia. Prado Chaves	500
Ditto	J. Osorio	500
Ditto	Hard. Rand & Co.	500
Ditto	Giordano & Co.	303
Ditto	Nino Paganetto	3
		9,931

7-GARIBALDI-Genoa	Leite Santos & Co.	7,000
Ditto	Levy & Co.	2,000
Ditto	V. Lucci & Co.	1,000
Ditto	A. Baccarat	250
Ditto	R. Alves Toledo & Co.	100
Ditto	Monteiro de Barros	2
Ditto	I. R. F. Matarazzo	2
Ditto	A. Guimaraes	3
Ditto	F. Macchiorlatti	1
Ditto	Refinetti & Co.	1
Ditto	V. Lucci & Co.	4
Ditto	Carmine Poccia	2
		10,365

8-PROVENCE-Marseilles	R. Alves Toledo & Co.	5,000
Ditto	J. Osorio	3,000
Ditto	Nioac & Co.	3,000
Ditto	Nauman Gepp & Co.	2,500
Ditto	M. Wright & Co.	2,000
Ditto	Whitaker Brotero & C.	2,000
Ditto	Levy & Co.	2,000
Ditto	Jessouroun Irmãos	1,555
Ditto	J. d'Almeida Cardia	1,000
Ditto	Raphael Sampaio & C.	1,000
Ditto	Leite Santos & Co.	1,000
Ditto	Prado Ferreira & Co.	500
Ditto	D'Orey & Co.	2
Ditto-Algiers	J. Osorio	500
Ditto	Campos Poccia	2
		25,069

9-ACRE-New York	Pedro Trinks	2,000
Ditto	Société F. Bresilienne	1,000
Ditto	McLaughlin & Co.	300
		3,300

8-DELFAND-Buenos Aires	Freitas Lima Nogueira	1,200
Ditto	Dauch & Co.	225
Ditto	Diebold & Co.	164
Ditto	Soc. F. Bresilienne	121
Ditto	Pedro Trinks	110
Ditto	A. Reismann	4
		1,829

11-PURUS-New York	Theodor Wille & Co.	14,500
Ditto	Arbuckle & Co.	13,000
Ditto	Nauman Gepp & Co.	7,750

Ditto	Ed. Johnston & Co.	4,500
Ditto	Levy & Co.	3,500
Ditto	G. Trinks & Co.	2,600
Ditto	J. Aron & Co.	2,000
Ditto	Cia. Prado Chaves	1,500
Ditto	Malta & Co.	1,000
Ditto	Leme Ferreira & Co.	750
		50,700

11-A. L. TREVILLE-Bordeaux	Ed. Johnston & Co.	750
Ditto	Leite Santos & Co.	300
Ditto	Dom. F. Martins	2
		1,102

Total overseas 146,286

SANTOS-COASTWISE.

4-ITAPUHY-Rio	J. Leandro Cardoso	352
Ditto	Cerquinho Rinaldi	2
		354

6-AMAZONAS-Pernambuco	Picone & Co.	60
Ditto-Ceará	R. Vasconcellos	50
		110

6-ITAPACY-Cananea	Luiz F. dos Santos	6
Ditto	Luiz F. dos Santos	3
		9

7-ITACIBA-Rio	José Leandro Cardoso	302
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8-ITAPURA-Rio Grande	Venancio de Faria	100
Ditto-Pelotas	Diebold & Co.	50
	Venancio da Faria	25
		175

8-ITAIPAVA-Aracaju	G. Santos	325
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10-ITAQUERA-Pelotas	Venancio da Faria	100
Ditto	Diebold & Co.	100
Ditto	Belli & Co.	50
Ditto-Rio Grande	Venancio da Faria	50
		300

11-ITATINGA-Rio	José Leandro Cardoso	273
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Total coastwise 1,848

PER DESTINATIONS		PER SHIPPERS.	
Italy	34,287	British	27,621
Holland	29,009	Italian	13,537
France	26,171	American	20,150
South America	2,819	Blacklisted	German &
United States	54,000	Austrian	19,139
Sweden	10,375	French	6,012
Norway	750	German and Austrian	2,514
		Brazilian	68,436
Overseas	7,411	Overseas	157,411
Coastwise	4,528	Coastwise	4,528
Total	161,939	Total	161,939

SHIPPING COMPANIES.

Dutch	30,838
Brazilian	54,000
French	26,171
Italian	34,287
British	990
Swedish	11,125
Overseas	157,411
Coastwise	4,528
Total	161,939

Rio and Santos Crop, 1915-16.—Entries—

Rio	Bags	3,256,184
Santos		11,744,492

Total 15,000,676

Embarques:—

Rio	3,328,210
Santos	11,432,183

Total 14,760,393

Cleared to foreign ports:—

Rio	3,109,452
Santos	11,364,150

Total 14,473,602

Sterling value:—

Rio	£5,959,395
Santos	22,384,490

Total £28,343,885

Clearances coastwise:—

Rio	247,255
Santos	76,677

Total 323,932

Stock at Rio on June 30th, 1916:—

Rio	202,742
Nietheroy	11,961
Ilha Vianna	8,154
Afloat	24,101
Total	246,958

PERNAMBUCO MARKET REPORT.

July 6th, 1916.

Sugar. The entry in June was 10,234 bags, compared with 25,011 bags for same date last year and total for crop came to 1,253,124 bags compared with 1,900,423 bags for previous crop to same date, making deficiency on present crop 647,299 bags to date and present month has commenced with entry of 375 bags for first three days against 1,954 bags same date last year. The market continues firm with no change in prices paid to planters. Dealers also maintain their quotations of last week, with better enquiry from home markets. The Plate enquiry is still good, but dealers appear to have very little now to dispose of for any fresh business. Shipments during the week have been: Rio 1,295 bags, Santos 5,000 bags, Rio Grande ports 5,714 bags and Buenos Aires 3,500 bags.

Cotton. The June entry was 3,651 bags, compared with 21,752 bags same month last year and the total of crop was 181,060 bags compared with 233,880 bags for previous crop to same date, showing a shortage of 52,820 bags to end of last month. The present month has begun with only 35 bags for first three days against 932 bags last year for same time, but although entry is so small, market has remained in the same depressed state, buyers offering 32¢ up to 4th, when a fabrica took 500 bags at this figure and exporters then retired their price to 31¢, but yesterday they further reduced their offers to 30¢, consequently there has been nothing done, as sellers are not at present disposed to accept this price. Of the new crop a fair amount seems to be entering some of the up-country towns, but so far only a few bags have appeared at the ports. The weather is still showery and this will delay picking, as present prices do not tempt them to hurry or to incur extra expense to get picking done. Shipments during the week has been: Rio 550 bags and 48 pressed bales, Bahia 153 bags, Victoria 50 bags, Itajahy 83 bales, Rio Grande 50 bales and Pelotas 38 bales.

Coffee market unchanged, with buyers at 8¢500 to 9¢ and sellers asking more. Further small shipments have been made to the Plate.

Cereals. A fair business doing at lower prices. Beans are quoted 9¢500 to 10¢ per bag of 60 kilos imported lots and for home grown last price was 14¢; milho has been more inquired for and prices are higher at 8¢500 to 9¢ per bag of 60 kilos for home grown, whilst imported lots have been sold at 7¢ to 8¢; farinha, 9¢ to 10¢ per bag of 50 kilos imports from Porto Alegre, etc., with home grown down to 17¢ to 28¢ per bag of 100 kilos, according to quality.

Freights. Nothing doing and no change in berth rates, with nothing loading here just now.

Exchange is rising in the wake of Rio quotations, rates having been 1st, 12 1-4d. for collections, with 1-16d. better for business; 3rd, collections at 12 5-16d. closing firm at 12 3-8d bank; 4th, collections at 12 5-16d., the rate then going to 12 3-8d. and 12 7-16d. closing firm at 12 1/2d.; 5th opened at 12 1/2d., quickly giving 1-16d. better and closing at 12 5-8d., at which banks have opened to-day and market looks very firm.

Rio Grande do Sul. Mr. Jorge Vereker's circular contains no British entries or departures during the month of June. Imports of coal: 4,446 tons patent fuel from U.K. and 994 tons coal from Baltimore.

Comparative exports through Rio Grande Bar from 1st Jan. to 30th June:—

Salted Hides

Dry Hides

	Europe	U.S.A.	Europe	U.S.A.	Total
1916	49,029	91,222	1,779	17,653	159,683
1915	115,651	40,647	22,209	36,324	214,831
1914	224,497	—	60,560	29,538	316,595
1913	329,866	—	94,648	22,593	447,107
1912	356,864	—	72,522	8,870	438,256
1911	303,618	—	100,924	—	404,542
1906	298,050	—	150,499	9,000	457,549

Current quotations:—Salted ox hides, per kilo, 1\$300; ditto, cow, 1\$300; heavy dry, 2\$200; light, 2\$200; kips, 2\$; hide cuttings, per 15 kilos, 1\$300; bone ash, per ton, 40\$; calcined bones, 25\$; horns, per 100 ox, 22\$; bones, per 1,000, 10\$; piths, per 1,000, 8\$; hair, mixed, per kilo, 1\$400; wool, per 15 kilos, fina, 49\$; mestica, 42\$; creoula, 36\$; grease, per 15 kilos, 15\$800; mixed tallow, 14\$800; pure ditto, 16\$900 Cardiff coal, per ton, 12\$; salt, Cadiz, per 35 kilos, 8\$500; Mossoro, per 30 kilos, 2\$500 flour, American, per 100 lbs., nominal; Argentine ditto, 16\$-17\$.

Railway News

THE LEOPOLDINA RAILWAY COMPANY.
ESTIMATED WEEKLY TRAFFIC RECEIPTS.

Year	Week Ended.	Receipts for Week			Total from 1st Jan.
		Currency.	Exch.	Sterling.	
1916	8th. July	408:000\$	12 9/16	£ 21.2.2	£ 562,303
1915	10th. July	484:000\$	12 3/4	£ 25,712	£ 775,138
Increase....	—	78:000\$	—	£ 4.461	—
Decrease....	—	—	3/16	—	£ 212,835

THE S. PAULO RAILWAY COMPANY.
ESTIMATED WEEKLY TRAFFIC RECEIPTS.

Year	Week Ended	Receipts for Week			TOTAL from 1st January
		Currency.	Exchange	Sterling	
1916	9th July	610:564\$700	12 5/8	32,118-4-11	616,735-9-10
1915	11th July	616:564\$400	13	33,393-19-9	603,970-10-2
Increase...	—	5:898\$700	—	—	—
Decrease...	—	—	3/8	1,275-14-10	77,235-0-4

EXPORT OF MEAT.

	Kilos		F.O.B. Value at 12d. Milreis paper.	
	1915	1916	1915	1916
January	10,579	1,179,144	5:369\$	934:136\$
February	15,655	1,797,894	46:200\$	1,304:409\$
2 months ...	86,234	2,977,038	51:569\$	2,238:545\$
March	49,279	1,299,794	29:534\$	1,040:375\$
3 months ...	135,513	4,276,832	81:103\$	3,278:920\$
April	210,000	1,951,377	135:000\$	1,561:101\$
4 months ...	345,513	6,228,209	216:103\$	4,840:020\$
May	35,572	4,737,080	24:900\$	3,790:064\$
5 months ...	381,085	10,965,289	241:000\$	8,630:885\$
June	573,461	1,425,206	409:022\$	1,140:947\$
6 months ...	954,546	12,390,495	650:025\$	9,771:832\$
July	280,604	—	189:280\$	—
7 months ...	1,235,150	—	839:305\$	—
August	1,410,444	—	980:552\$	—
8 months ...	2,645,594	—	1,825:857\$	—
September ..	711,140	—	530:605\$	—
9 months ...	3,357,734	—	2,356:462\$	—
October	1,213,723	—	571:204\$	—
10 months ..	4,570,457	—	3,227:726\$	—
November ..	2,105,173	—	1,461:886\$	—
11 months ..	6,675,630	—	4,889:612\$	—
December ...	1,838,340	—	1,431:987\$	—
Total	8,513,970	—	6,121:599\$	—

Origin—January-June.

R.de Janeiro	16,709	4,086,306	16:463\$	3.137:661\$
Santos	937,837	8,304,189	633:562\$	6.634:171\$
Total	354,546	12,390,495	650:025\$	9.771:832\$

Destinations.

U.S.A.	—	2,91,654	—	1.833:323\$
France	48,620	2,470,746	30:154\$	1.842:712\$
Gt. Britain .	248,223	2,981,583	582:591\$	2.378:588\$
Italy	57,703	4,646,512	37:280\$	3.717:209\$
Total	954,546	12,390,495	650:025\$	9.771:832\$

The first experimental shipments was of 1,115 kilos in Nov., 1914, from Santos to Gt. Britain.

The meat export business is developing on very satisfactory lines and from very small beginnings in 1914 has contributed during the first six months of the current year nearly half a million sterling to value of exports. Compared with coffee, which up to end of May yielded over £11,000,000, the value of meat exports does not weigh much in the balance (5 per cent.), but every little helps and there is every prospect that the grazing and meat industry will in the course of time assume really important proportions. The land is there practically unlimited and paper money galore if Government would only stop issuing securities (apolicies) and give this industry a chance of absorbing the enormous quantity of paper money in circulation.

RUBBER

Weekly Cable. Hard Fine opened at London on 15th July at 2s. 8d. to 2s. 10d. per lb., as against 2s. 8½ on previous Saturday and at Para unaltered at \$500 per kilo.

Seligman and Co. According to a cable just received, this firm, whose correspondents at Manaus are G. Deffner and Co., and at Hamburg R. Otto Ahlers, have opened a banking section at Para, and deposited Rs. 100,000:0006 with the Treasury at Rio de Janeiro as guarantee of operations. The following are authorised to sign by power of attorney for the firm: Arthur J. Seligmann, Frederico Hartze, and Paul Ohl, and Hans Lubbers and Adolf Meyer jointly. We understand they act as agents for the National Bank.

EFFECTS OF THE BLACK LIST.

	Enemy & Black-listed	Doubtful	Brit., Amer. & French	Brazilian	Total
From Para—					
6/6 Rio de Janeiro,					
New York	113	25	18	112	268
18/6 Anselm, Liverpool.	—	45	17	63	125
18/6 M. Geraes, N. York	11	15	42	106	174
From Manaus—					
15/6 Anselm, Liverpool.	—	118	141	67	326
16/6 Stephen N. York .	—	71	56	111	238
6/6 to 18/6	124	274	274	459	1,131
28/3 to 31/5	392	1,141	2,785	1,983	6,301
Total since 28/3	516	1,415	3,059	2,442	7,432
Percentage, 28/3 to 5/5.	6.3	18.0	44.2	31.5	100.0
Ditto, 28/3 to 18/6	6.9	19.1	41.1	32.8	100.0

Since our last analysis (page 378 of Review) enemy and blacklisted firms show increase of 0.6 per cent. in percentages of total shipments, doubtful firms an increase of 1.1 per cent. and Brazilian and Portuguese firms of 1.3 per cent., whilst those of British, French, Italian and American firms show decrease of 3.1 per cent.

Of the total of 7,432 tons shipped to all destinations since the inception of the Black List, enemy and blacklisted firms have shipped only 516 tons or 6.9 per cent.!

The fact that Brazilian and Portuguese firms steadily in-

crease their percentages and up to 18th June have exported 32.8 per cent. of all exports, an indisputable proof of the way the Brazilian export trade has benefitted by the Black List.

Of the total of 4,432 tons shipped since 28 March, 4,073 tons or 64.6 per cent. went to the States and 2,228 tons or 35.4 per cent. to Liverpool, 4,342 tons or 58.4 per cent. having been shipped by British lines, 2,736 tons or 36.8 per cent. by Brazilian (Lloyd Brasileiro) and 354 tons or 4.8 per cent. by an American steamer. All the enemy and black listed cargo was, of course, carried by the Brazilian and American boats.

SHIPPING

The Freight Markets. «Fairplay» of 15 June says:—Chartering has again been upon a very small scale since our last report, and although rates of freight are still very satisfactory there is an end, at any rate for the time being, to the colossal profits that some neutral owners have been earning, the drop in grain rates being very great from the U.S. and also Canada.

—The Hamburg-American Line at New York would appear to be getting ready once more to start business, as on the 23rd May, 1916, the New York office sent out a reply postcard to United States shippers containing the following:—

New York, 23 May, 1916.

If you are interested in receiving our circulars re freight matters and other information, we would thank you to fill in the attached postal card and mail it to us.

Hamburg-American Line
(Through Freight Dept.)

The reply postcard was addressed to the company's office at 41-45 Broadway, New York, and was to contain the name and address to the sender, who was asked to «please put a check mark opposite the country in which you are interested.» The names of 48 destinations were given, including Egypt, India and West Africa; but apparently, for some reason not easy to fathom, the through freight department of the German line has decided not to cater for Great Britain, Canada, Australia, South Africa, and several other places in which this country still, so I had understood, retains a considerable interest. That the company is going to the expense of circularising American firms rather points to the fact that either it hopes to resume its lines in the early future, or that it wants to keep in touch with the various shippers until such time as it can despatch its steamers without fear of capture. Its action is one of those little snags which should enable us to decide to temper the wind to our own hides, and therefore I welcome it.

VESSELS ARRIVING AT THE PORT OF RIO DE JANEIRO.

During the week ending July 13th, 1916.

July	7.—M. FLUMINENSE, Argentine s.s. 220 tons, from B. Aires
	7.—ITAQUERA, Brazilian s.s. 1254 tons, from Recife
	8.—ITAUBA, Brazilian s.s. 1254 tons, from Porto Alegre
	8.—BRAGANCA, Brazilian s.s. 751 tons, from Bahia Blanca
	9.—URANO, Brazilian s.s. 151 tons, from Cabo Frio
	9.—PROVENCE, French s.s. 2480 tons, from Santos
	9.—P. CHRISTOPHERSEN, Norweg. s.s. 2239 tons, from La Plata
	10.—ITAPIVA, Brazilian s.s. 707 tons, from Imbituba
	10.—ACRE, Brazilian s.s. 1555 tons, from Santos
	10.—REMBRANDT, British s.s. 2904 tons, from Liverpool
	10.—CARANGOLA, Brazilian s.s. 2558 tons, from Victoria
	10.—PIAUHY, Brazilian s.s. 643 tons, from Camocim
	10.—CONCEIZIONE, Italian s.s. 1218 tons, from Buenos Aires
	11.—ITATIBA, Brazilian s.s. 514 tons, from Porto Alegre
	11.—TAMOYO, Brazilian s.s. 60 tons, from Caragualatuba
	12.—CEARA, Brazilian s.s. 2977 tons, from Manaus
	12.—A. L. TREVILLE, French s.s. 2567 tons, from Buenos Aires
	12.—JUANITA, Argentine s.s. 279 tons, from Buenos Aires
	12.—ITATINGA, Brazilian s.s. 1181 tons, from Porto Alegre
	12.—ANGO, French s.s. 3626 tons, from Havre
	12.—PUEBUS, Brazilian s.s. 2495 tons, from Santos
	12.—DARRO, British s.s. 7291 tons, from Liverpool
	12.—CAPIVARI, Brazilian s.s. 449 tons, from Recife
	12.—BERGIPE, Brazilian s.s. 990 tons, from Manaus

VESSELS SAILING FROM THE PORT OF RIO DE JANEIRO.

During the week ending July 13th, 1916.

- July 7.—INDIANA, Italian s.s. 3051 tons, for Genoa
 7.—SAVOIA, Italian s.s. 3099 tons, for Buenos Aires
 7.—SATELLITE, Brazilian s.s. 892 tons, for Montevideo
 7.—VASARI, British s.s. 6352 tons, for Buenos Aires
 8.—ITAPUBA, Brazilian s.s. 1230 tons, for Recife
 8.—CARMARTHENSIIERE, British s.s. 5955 tons, for Santos
 8.—M. FLUMINENSE, Argentine s.s. 220 tons, for Bordeaux
 9.—ITAQUERA, Brazilian s.s. 1254 tons, for Porto Alegre
 10.—CUBATAO, Brazilian s.s. 1080 tons, for Buenos Aires
 10.—AMAZONAS, Brazilian s.s. 1220 tons, for Ceara
 11.—P. CHRISTOPHERSEN, Norweg. s.s. 2239 tons, for Gothenburg
 11.—ALASKAN, American s.s. 5621 tons, for Baltimore
 11.—PETER H. CROWELL, American s.s. 2423 tons, for Baltimore
 11.—TEIXEIRINHA, Brazilian s.s. 257 tons, for S. J. da Barra
 11.—RESURREZIONE, Italian s.s. 1969 tons, for Genoa
 11.—VIRGIL, British s.s. 2714 tons, for Buenos Aires
 11.—CONCEZIONE, Italian s.s. 1218 tons, for Dakar
 11.—MANTIQUEIRA, Brazilian s.s. 1045 tons, for Buenos Aires
 11.—ITAQUI, Brazilian s.s. 512 tons, for Porto Alegre
 12.—BAHIA, Brazilian s.s. 2884 tons, for Manaus
 12.—A. L. TREVILLE, French s.s. 3567 tons, for Bordeaux
 12.—ACRE, Brazilian s.s. 1555 tons, for New York
 12.—S. RAPHAEL, British s.s. 2399 tons, for Buenos Aires
 12.—BEMBRANDT, British s.s. 2904 tons, for Buenos Aires
 12.—PROVENCE, French s.s. 2480 tons, for Marseilles
 12.—TOKIO MARU, Japanese s.s. 2249 tons, for Santos
 13.—PHILADELPHIA, Brazilian s.s. 359 tons, for Ilheus
 13.—ANGO, French s.s. 4626 tons, for Buenos Aires
 13.—ITAPERUNA, Brazilian s.s. 713 tons, for Aracaju
 13.—ITAUBA, Brazilian s.s. 826 tons, for Porto Alegre

VESSELS ARRIVING AT THE PORT OF SANTOS.

During the week ending July 13th, 1916.

- July 7.—GARIBALDI, Italian s.s. 3108 tons, from Buenos Aires
 7.—DEFLAND, Dutch s.s. 2762 tons, from Amsterdam
 7.—ITAPURA, Brazilian s.s. 926 tons, from Rio
 7.—ITAUBA, Brazilian s.s. 825 tons, from Porto Alegre
 8.—VASARI, British s.s. 6352 tons, from New York
 8.—ARIZONAN, American s.s. 6352 tons, from New York
 8.—ITAPAVA, Brazilian s.s. 613 tons, from Imbituba
 8.—SAVOIA, Italian s.s. 3099 tons, from Genoa
 8.—SATELLITE, Brazilian s.s. 887 tons, from Rio
 10.—ITAQUERA, Brazilian s.s. 926 tons, from Recife
 10.—A. L. TREVILLE, French s.s. 3567 tons, from Buenos Aires
 10.—CARMARTHENSIIERE, British s.s. 5955 tons, from London
 11.—ITATINGA, Brazilian s.s. 926 tons, from Porto Alegre
 11.—INDEPENDENCIA, Argentine s.s. 618 tons, from Rosario
 11.—HIGHLAND WATCH, British s.s. 3862 tons, from Liverpool
 11.—FALKLAND, Danish s.s. 1391 tons, from Port Arthur
 12.—PORVENIR, Argentine s.s. 662 tons, from Buenos Aires

VESSELS SAILING FROM THE PORT OF SANTOS.

During the week ending July 13th, 1916.

- July 7.—SARDINHA, Brazilian yacht, 27 tons, for S. Francisco
 7.—GARIBALDI, Italian s.s. 3108 tons, for Genoa
 7.—ITAUBA, Brazilian s.s. 825 tons, for Rio de Janeiro
 7.—ITAPURA, Brazilian s.s. 613 tons, for Aracaju
 8.—SATELLITE, Brazilian s.s. 887 tons, for Montevideo
 8.—DEFLAND, Dutch s.s. 2762 tons, for Buenos Aires
 8.—VASARI, British s.s. 6352 tons, for Buenos Aires
 8.—SAVOIA, Italian s.s. 3099 tons, for Buenos Aires
 8.—PROVENCE, French s.s. 2480 tons, for Marseilles
 8.—P. CHRISTOPHERSEN, Swedish s.s. 2238 tons, for Stockholm
 9.—ACRE, Brazilian s.s. 884 tons, for New York
 10.—ITAQUERA, Brazilian s.s. 926 tons, for Porto Alegre
 10.—DANERY, Danish s.s. 938 tons, for Buenos Aires
 10.—A. L. TREVILLE, French s.s. 3534 tons, for Bordeaux
 11.—PURUS, Brazilian s.s. 2495 tons, for New York
 11.—ITATINGA, Brazilian s.s. 2495 tons, for Pernambuco

The Week's Official War News

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

London, 10th July, 1916.

Some idea can be obtained of the feeling existing among the civilian population of Germany from a letter dated June 26th, found on a German prisoner:—“I too hardly believe in the end of the war yet, for gradually war is beginning in our land itself. Of course, important people still have everything brought into their houses; they have no suffering and they do not have trouble

about food. The harvest also does not seem so famous as they make out. I really should not write you all this, for we ought not to tell our worries to the men in the field, but really and truly, things are no better and they will probably get worse. The war has now lasted two years and what have we obtained? Nothing! And it has cost peoples' lives and much money and we have to wait. I have no more courage left and many others feel the same.”

The Swiss Socialist paper “Tagenwacht”, of Berne, states that a violent Socialist manifesto has been widely distributed in Germany saying:—“All policy of imperialistic rapine is a crime. All countries have followed such policy, but Germany did it so as to get into conflict with all the states around it. Its only allies are cadaverous Austria and bankrupt Turkey. Had the war lords, the capitalists and the junkers told the truth from the beginning, there would have been no enthusiasm for the war then. They promised annexations and that Germany would dictate peace to the entire world. They made people believe that submarines would starve England, making her sue for terms. Such stuff is a fairy tale. Our submarine war only makes new enemies, and as for starving England, Germany would never succeed if she had ten times as many submarines.” The manifesto concludes that the only solution is to compel the Government by force to make peace.

The Berlin police are searching for the authors and printers of the manifesto circulated in the form of a leaflet, calling on the German people to rise in millions to overthrow the Government which deprived Liebknecht of liberty. It is a revolutionary manifesto openly demanding the dethronement of the Kaiser and the suppression of the Imperial Government. Thousands of copies have been strewn in the streets, parks, stations, rooftops and every other conceivable and inconceivable place. The victory of the dissenting Socialist, Herman Mueller, by a crushing majority over the candidate of all the other parties combined, is regarded in Berne as a striking demonstration of the trend of public opinion in Germany. This was the first electoral contest at which the German Imperialism and Prussian militarism, which caused the war, have been submitted to the verdict of the German people. At every previous bye-election since August, 1914, a contest has been avoided, but the formation of a frankly anti-war party by the secession of dissenting socialists from the German Socialist party made a contest possible. The executive council of the German Socialist party advised the electors to vote for the conservative pro-war, pro-government candidate, but the constituency voted for Hermann Mueller, who loudly proclaimed his admiration for and complete sympathy with Liebknecht.

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

London, 13th July, 1916.

For the first time since the outset of the war, all the Allies are exerting simultaneous pressure of the Central Powers. The well-known German-American correspondent, Karl von Weigand, telegraphs to the New York “World” for the first time in a despondent tone. Weigand says: “The initiative has passed to the Allies. Everywhere, except at Verdun, the Germans are on the defensive. New armies drawn from Russia's 150,000,000, equipped with munitions from Japanese and American arsenals, bear incessantly like sea waves on the thin anaemic line of von Hindenburg. Prince Leopold, von Linsingen and von Bathmer. For the bravest hearts the circumstances can only be discouraging.”

On the west front the British, by capturing Contalmaison from the Prussian Guard, have met the — nT8c J5255c9d(y1 from the Prussian Guard, become masters of the entire German first line. Hitherto the Germans have met British or French assaults by moving troops from one part of their line to another or from Russia to France. Thus the Germans brought eventually to a standstill the French offensive last year in Champagne and the British offensive at Loos and Neuve Chapelle. Now the Russian pressure is such that not a man or gun can be spared even to support the Austrian right wing, which has been driven back first from Czernovitz, then from Kolomea and now is re-

treating to the summit of the Carpathian passes. The Germans must hold their western line with such forces as they have there already. They have already miscalculated the strength of the French, as is shown by the fact that they did not expect a French offensive on the right of the British. Meanwhile the bombardment has begun from the Somme to the sea.

London, July 14th, 1916.

It is officially announced from British General Headquarters that this morning at dawn, the enemy's second system of defence was attacked. Our troops have broken into the hostile positions on a front of four miles, capturing several strongly defended localities. Heavy fighting continues.

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

London, 15th July, 1916.

The following despatch has been received from Headquarters, dated 14th July:—It is now possible to give further details of the action begun at daybreak this morning. After intense bombardment, an assault was launched at 3.25 a.m. The enemy was driven from his trenches on the whole front of attack and many prisoners fell into our hands. Fierce fighting has continued all day, as the result of which we have steadily increased our gains and are now in possession of the enemy's second positions from Bazentin-le-petit village to Longueval village, including the villages themselves and the whole Trones wood. In Trones wood we relieved a party of the Royal West Kent Regiment who were separated from our own troops in the recent fighting and surrounded by the Germans. They had gallantly held out in the northern end of the wood for 48 hours. Two determined counter attacks on our new positions were completely crushed by our fire. Later, after a fierce counter attack, the Germans succeeded in recapturing the village of Babentin-le-petit, but were at once driven out again by our infantry and the whole village is once more in our hands.

The following communiqué has been received by His Majesty's Consul General from the Press Bureau:—

London, 15th July, 1916.

Western Front.—On Saturday, July 8th, the British right wing, supported by French artillery, pushed its way into the woods of Bernafay and Trones, east of Montauban and a German counter attack was destroyed by our artillery fire. During the afternoon and night much fighting occurred in and around Ovillers. On Sunday, 9th, the struggle at Ovillers continued and two violent and futile German counterattacks were made on the British positions in the wood of Trones. On Monday the fight in

the latter quarter developed into a serious battle. During the night of Sunday and Monday morning no less than five desperate attacks were made on the British line and on Monday afternoon a sixth succeeded at the expense of heavy casualties in recovering a small part of the wood. North-west of Contalmaison we took a small wood and a number of guns. Ground was gained east off Ovillers and La Boisselle and a lodgment made in the big wood of Mametz. Late that night after a heavy bombardment Contalmaison was carried by storm and counter attacks during the night were easily repelled.

On Tuesday, July 11th, the first stage of the British offensive may be said to have closed. That day we carried the greater part of the wood of Mametz and recaptured nearly the whole of the wood of Trones. After ten days of ceaseless struggle, the whole of the German first system of defence on a front of eight miles was in British hands. This contained what is usually called the first and intermediate positions and the depth of from 2,000 to 4,000 yards, included five strongly fortified villages, many redoubts and numerous heavily wired and entrenched woods. Thus the British right wing had now nothing between them and the German second system of defence. Many guns had been destroyed or covered with debris, but among the booty taken in ten days' fighting were 26 field guns, 1 naval gun and 1 heavy howitzer, while German prisoners exceed 7,500.

On Wednesday, July 12th, the Germans, now heavily reinforced, made several desperate counterattacks against the British positions, principally in the woods of Mametz and Trones and at Contalmaison, recovering some little ground, but by the evening all had been regained and enormous numbers of German dead lay before our lines. On the next day we consolidated our position, advancing our line in certain places and there was heavy artillery bombardment all along our front. On Friday, July 14, at dawn, the British attack on the second German position began resulting in the enemy position being carried everywhere on a front of four miles. The villages of Bazentin-le-Petit and Longueval and the whole of the Trones Wood were taken and Ovillers surrounded. German counter attacks later in the day were completely repulsed.

It should be clearly understood what the British purpose is. We do not, like the German Chancellor, judge victories only by the map. Our aim is not to recover so much territory or even to seize any particular place. It is unnecessary to push in the German front to compel a retreat. These things will doubtless come, but the main allied object is to defeat the existing German armies in the field and defeat them so thoroughly that they will no longer constitute an adequate defence of German borders. Hence the allied success is not to be measured by the number of miles advanced, but by the loss inflicted on the enemy. Slow strain and disorganisation is becoming apparent throughout his entire front.

East Africa.—Once again this is the only theatre outside Europe showing any special activity. On July 7, General Smuts' left wing took Tanga, a town at the coast end of the northern railway and the second port in the colony. It will be remembered that in the beginning of November, 1914, the place was attacked by an Anglo-Indian force which entered the town, but were obliged to fall back with considerable losses on the arrival of reinforcements. With the fall of Tanga the allied cordon in East Africa is drawn appreciably tighter.