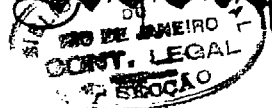


# Wileman's Brazilian Review

WEEKLY JOURNAL OF TRADE, FINANCE, ECONOMICS AND SHIPPING.  
ESTABLISHED 1898

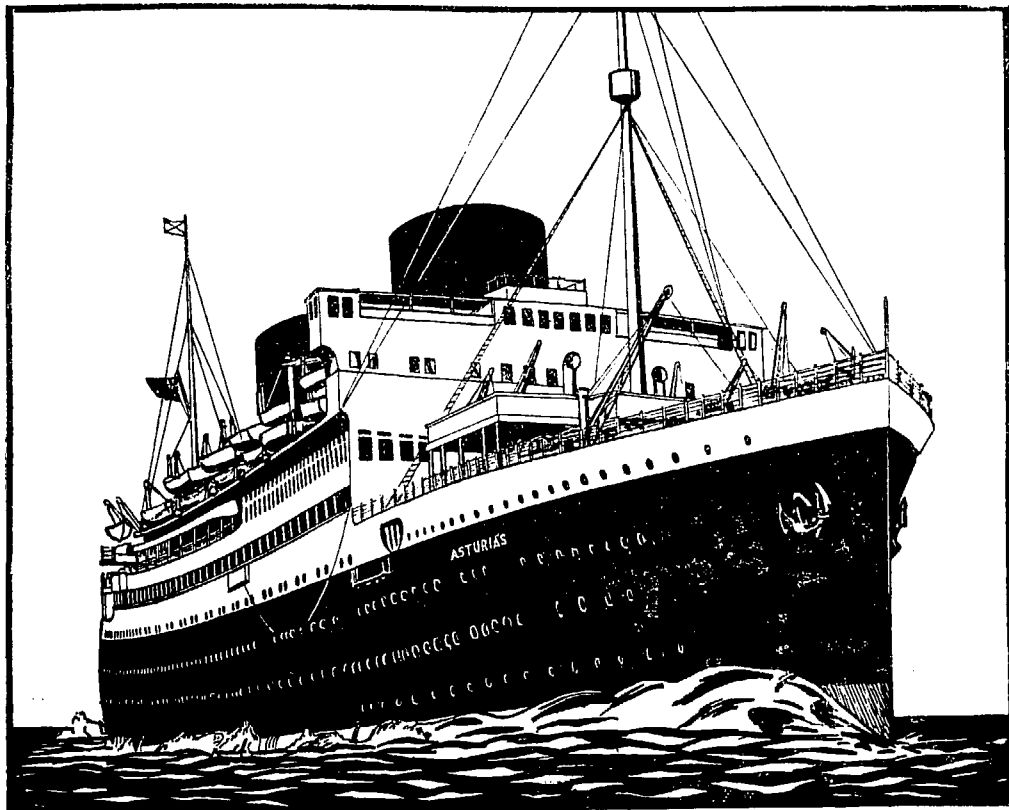


VOL. 23

RIO DE JANEIRO, WEDNESDAY, MAY 25, 1932

N. 21

## ROYAL MAIL LINE



### SAILINGS TO EUROPE

MOTOR VESSELS		"A" STEAMERS		"D" STEAMERS	
ASTURIAS	29 May	ALMANZORA	19 June	DESEADO	31 May
ALCANTARA	3 July	ARLANZA	24 July	DESNA	28 June
ASTURIAS	14 Aug.	ALMANZORA	28 Aug.	DARRO	26 July
ALCANTARA	11 Sept.	ARLANZA	25 Sep.	DESEADO	8 Aug.
ASTURIAS	9 Oct.	ALMANZORA	23 Oct.	DESNA	5 Sep.
		ARLANZA	20 Nov.	DARRO	3 Oct.

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BARÃO DE MAUÁ	20.10	E. Rios, Ubá, Ponte Nova, Raul Soares — Mondays and Thursdays.
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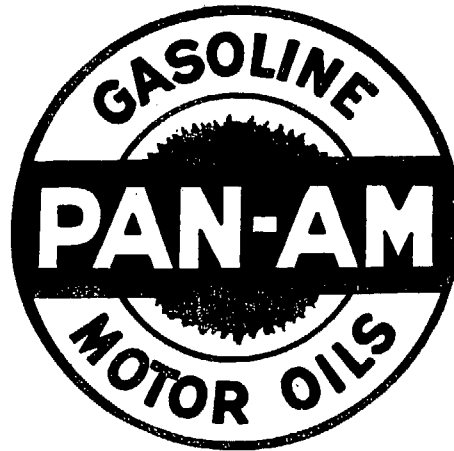
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## Wileman's Brazilian Review.

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OFFICES: RUA DA QUITANDA, 161, 1.º ANDAR  
Sala 1

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- 6 — «Almanzora», Royal Mail.
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**Notes**

**TO OUR SUBSCRIBERS**

A severe epidemic of influenza has this City in its grips, with many fatal cases. The staff of our printers has not been spared, with the inevitable result that, together with our Editor's infirmness, this issue lacks the usual editorial matter published in these columns.

We may add, now that we are soliciting our subscribers' indulgence, that owing to official intervention, the publication of the weekly Manifests of Coffee Cleared at the ports of Rio and Santos per vessel, shipper, quantity and destination in these columns have been considerably disturbed. «Omnia mutantur, nos et mutamur in illis»; «in medias res», «terminus ad quem».

**THE SANTOS COFFEE MARKET**

Week-ending May 14th, 1932  
(From our Correspondent)

There is no new feature to report on, except that exchange is still priming up, the Dollar being quoted at 13\$450, whilst Sterling has almost reached 5d, the milreis value of the £ Sterling being 48\$400. A certain amount of cost-freight business has taken place, well described 4s having been sold as high as 10 c. But this price is exceptional and it seems to us, that with the spot value of 4s in New York at 10 1/2 cents and high class Columbian selling in New York on the spot at 11 1/4 c., there will be serious opposition on the part of

the American trade to follow any further advance, until such times as Milds show a sharp advance in prices. At the present small difference in value, the demand for Milds is naturally a good one and as Crops, with the exception of the 2nd Columbian Crop and the Rabusta Crops, seem to be fairly well exhausted, a substantial advance in values for Milds seems not unlikely and once this happens, values for Brazilian Coffees should immediately respond, gold prices improving still further.

Options nominal showing small fluctuations, closing as follows:—

	Contract «A»	Contract «B»
May	15\$900	13\$500
June	15\$700	13\$100
July	15\$500	13\$000
August	15\$425	12\$975

### FINANCIAL AGREEMENT BETWEEN THE GOVERNMENT OF THE STATE OF SÃO PAULO AND FOREIGN BANKERS

The «Financial News», authorised by Messrs. J. Henry Schroder & Co, London, says Revista «Levy», published the following terms of agreement between the Foreign Bankers and the Government of the State of São Paulo, regulating the service of the following loans made with that State:—

- 1904, 5%, Loan.
- 1905, 5%, Sterling, Railway mortgage.
- 1907, 8%, Sterling.
- 1925, 7%.
- 1926, 7%, Waterworks.
- 1928, 6%, 40 years.
- 1921, 8%, part service for which the collection of the 5 francs tax may not be sufficient.

The Government of the State of São Paulo shall pay immediately, in the same manner, the instalments of the loans in arrears.

The State Treasury shall issue two Promissory Notes to mature in two years from date of their emission, to the Bankers of each loan, one for the service of Interest, and the other for Amortization, both bearing interest at 6%, per annum.

As cover and guarantee of these promissory notes, the State of São Paulo shall deposit monthly, for a period of twenty-four months, in the Bank of Brazil, commencing from 30th April, a total of 120,000 contos:— 4,000 contos on April 30th and in each of the succeeding eight months; 5,000 contos per month in each of the following nine months, and 6,500 contos per month for the final six months.

The deposits shall be kept for this purpose in the Bank of Brazil, in the name of the Treasury, and to the order of the Bankers, the respective interest accruing to be in favour of the State Treasury. Deposits may only be withdrawn for conversion into foreign currency to be remitted to the Bankers. The State Treasury is authorised to extend, if necessary, the combination for payment of the foreign debt, to three years, on condition that a monthly deposit of 5,000 contos is made. The State of São Paulo may also redeem the Promissory Notes at a discount of 5% per annum. The surrender of the promissory notes issued for amortization may be made for coupons of the respective loans at the prices they were purchased on the stock exchanges of London, New York, Paris, etc. The purchase of the coupons on the stock exchanges shall be made by the Bankers of the respective loans at prices previously arranged between the State Treasury and the Bankers. In cases of payment in anticipation, the Treasury may prefer to redeem, in the first place, the promissory notes for amortization respecting, however, the chronological order of the issues, and the surrender shall be «pro rata» in relation to the amount of the promissory notes for amortization issued for each loan.

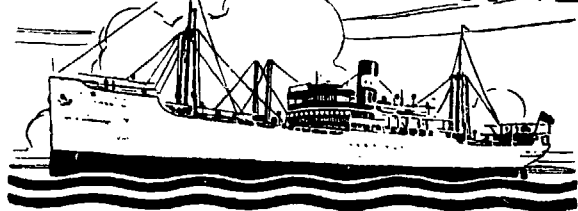
### COST OF LIVING IN CANADA

Living costs in Canada decreased by 8.4 per cent during the past year according to the Dominion Bureau of Statistics index of retail prices. Retail food values decreased by 20.5 per cent and coal prices by nearly two per cent.

\*\*

Canadian newspapers used 18,667,843 lbs. of newsprint valued at over eleven million dollars in 1930.

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PACIFIC — due Rio on the 27th inst.  
SANTOS — left Goth. on the 21st inst.  
SAN FRANCISCO — due to leave Goth. on the 31st inst.

### Sailings for Sweden & Finland: From Rio:

SUECIA — 1st June.  
VALPARAIZO — 10th June.  
PEDRO CHRISTOPHERSEN — 22nd June.

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## BANKING MOVEMENT

As at 30th April, 1932

In contos of reis

Compiled by «Wileman's Brazilian Review»

## BALANCE SHEETS OF PRINCIPAL BANKS, INCLUDING ALL BRANCHES IN BRAZIL

Banks:—	Cash Reserves	Discounts and Loans	Sight Deposits	Fixed Deposits	% of Cash to Sight Deposits	
					April 1932	March 1932
Banco do Brazil	303,453	1,914,915	1,722,229	215,148	17.6	18.0
Commercial do Estado de S. Paulo	114,298	238,090	192,508	31,510	59.3	53.6
Banco do Estado de S. Paulo	42,213	992,630	145,564	866,907	29.0	31.7
Banco de S. Paulo	35,704	95,029	62,901	11,137	56.7	47.4
Commercio e Industria de S. Paulo	87,678	229,056	224,740	34,397	39.3	41.2
Noroeste do Estado de S. Paulo	4,239	19,267	9,870	648	42.9	47.2
Hypothecario e Agricola de Minas Geraes	19,595	66,775	27,796	59,056	68.9	77.0
Commercio e Industria de Minas Geraes	19,322	60,173	28,019	28,657	68.9	76.5
Credito Real de Minas Geraes	23,467	77,953	48,993	20,542	47.9	50.4
Banco da Provincia do Rio Grande do Sul	40,187	188,711	34,383	140,080	116.8	118.7
Française et Italienne pour l'Amérique du Sud	73,865	163,922	120,227	78,156	61.4	50.4
Nacional Ultramarino	20,214	86,320	91,809	32,009	22.0	22.1
Deutsche Ueberseeische Bank (Transatlantico)	39,437	94,964	58,793	52,109	67.0	73.5
Deu'sch Suedamerikanische Bank, A. G. (Germanico)	13,846	105,389	40,979	45,744	33.8	35.3
Banque Italo-Belge	23,483	45,018	39,648	12,111	76.6	69.9
Hollandische v. Zuid Amerika Bank	6,411	20,192	8,925	4,892	71.8	65.0
Portuguez do Brasil	9,107	56,577	29,266	1,365	31.1	30.8
Italo Brasileiro	1,902	10,694	3,715	3,044	51.2	62.7
Total	878,421	4,485,675	2,881,365	1,637,512	30.4	30.6

## BALANCE SHEET OF PRINCIPAL BANKS, ISSUED FOR RIO ONLY

Bank of London & South America Ltd.	32,934	79,792	89,930	12,561	36.7	52.6
The British Bank of South America Ltd.	24,353	40,524	56,303	25,289	43.2	47.3
The Canadian Bank of Commerce	10,512	3,837	12,597	—	83.4	86.3
The Royal Bank of Canada	23,582	47,644	65,132	4,669	36.2	34.3
The National City Bank of New York	78,460	57,424	143,952	1,749	54.5	59.3
Banco Mercantil do Rio de Janeiro	42,305	77,875	57,202	39,330	73.9	73.6
Banco Boavista	15,726	64,910	40,944	16,591	38.4	39.8
Banco do Commercio, Rio de Janeiro	2,036	5,487	2,776	1,405	73.3	64.4
Credit Foncier du Brésil et de l'Amérique du Sud	1,238	146,701	814	67	152.0	107.8
The Yokohama Specie Bank Ltd.	2,813	102	1,568	1,748	180.0	162.5
Total	233,959	524,296	471,018	103,409	49.6	55.6

## LONDON FINANCIAL POSITION

(Comtelburo Airmail Service. — May 13th, 932)

The dominant feature of the City is still the buoyancy of gilt-edged stocks. Some of the post-war British Government loans have reached the highest points in their history. The appreciation, while assisted by the result of the recent issue of 3% Treasury Bonds (now quoted 3/8 above the minimum fixed for tenders), was greatly stimulated by the reduction in the Bank Rate on May 12th from 3 to 2 1/2%, and especially by the fact that the other banks lowered their loan rate to Lombard Street and their interest allowance upon deposits to a corresponding extent. They now give half or one per cent only for money left in the London area, or the lowest rate since 1897 when the Bank Rate was 2%. But there is at least the possibility that before the present phase of cheap money ends, the Bank Rate will come down to that figure. There is little doubt that the Authorities now favour a more liberal monetary policy, with perhaps a mild dose of inflation. There are three

reasons for this. One is that more plentiful credit supplies might make it easier to prevent sterling from rising unduly in terms of foreign currencies, as it threatened to when foreign balances were flowing hither as a result of the distrust of conditions abroad. Another is the desire to raise the price level, especially the wholesale index, in order to make trade more profitable. The third is connected with debt conversion, and it is generally agreed that a scheme for dealing with the £2,000,000,000 of 5% War Loan has been brought nearer by recent developments. The credit of the British Government is now virtually on a 4% basis. Consols 2 1/2%, for example, which the foreigner has bought rather freely of late, have risen to a price showing a yield of only about 3 7/8 per cent, but as this is immensely better than the 1/2 per cent allowed by the banks for deposits, the expectation is that a considerable amount of money will be withdrawn from those institutions for investment in gilt-edged stocks.

One of the most depressed markets, Foreign Government bonds, has shown more firmness. The

result of the French elections was regarded as a bull point for German issues as the new Premier is believed to favour friendly relations with that Country and disarmament. Chinese and Japanese were helped by the satisfactory development of the situation in the Far East, and Brazilians by the recovery in the milreis. It is recognised of course that the Brazilian exchange is controlled by the Government, but it is considered that the rate would not have been put up to 4 3/4d had not the movement been justified by an improvement in the economic position. At the recent meeting of the Great Western of Brazil Railway the Chairman referred to the difficulty of getting funds out of the country, while there is so much money awaiting the purchase of sterling bills that the banks allow no sort of deposit rate. This Company has about 5,000 contos of reis in Brazil and it is understood that the Leopoldina has about £300,000 which can only be remitted at the rate of about £20,000 a month.

In the case of Chile the position is still worse. The Anglo South American Bank, for example, has a very large sum to its credit there, but can only remit 2% of it monthly. As regards this bank, the past week has witnessed renewed selling of the shares which are now quoted about 9s. for the £5 paid issue. Evidently the fear of a call still exists, despite the official denial some time ago. There is reason to believe that a call on the shares is most unlikely, but it is a fact that negotiations have been proceeding for the absorption of the institution. Some of the big English banks have been mentioned in this connection, but it is more likely that the «Anglo South» will be merged with the Bank of London & South America the bulk of whose capital is held by Lloyds Bank. It is almost certain that in a very short time a statement of an interesting character will be made by the Board of the «Anglo South».

Markets outside the gilt-edged group and that for foreign government bonds have developed little feature. International issues in which New York normally operates freely are a comparatively dead market for the time being, partly because of the effects of the Kreuger & Toll crash. Oil shares have scarcely been helped by the important dividends announced, the Burmah, Royal Dutch, and Shell, all paying less than for 1930.

Our April trade figures showed an encouraging improvement, but this is not yet reflected in home railway traffics.

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#### LONDON PRODUCE NOTES

(Comtelburo Airmail Service. — May 13th, 932)

The outstanding feature of the London Produce markets during the week was the marked activity of the rubber market early in the week. The announcement that the Finance Committee of the American Senate has adopted the proposal to place a 5 cents per lb. import duty on rubber was followed by an active demand for spot and near shipment and several thousand tons were sold, the object of the buyers being to forestall the tax. The value of smoked sheet, on the spot, rose an eighth to

three-sixteenths of a penny p lb. It was subsequently decided, however, to drop the tax on the raw material and to substitute one on tubes and tyres. The inevitable result ensued, prices here falling to a lower level than that of a week ago. Although the United Kingdom stocks are likely to be substantially reduced temporarily by the heavy shipments, there will be a corresponding increase in that held by America. The new method of taxation is not likely to interfere with the normal flow of business to the extent that the original scheme would certainly have done, but it may have some effect upon trade buying in the United State. In the sugar market a demand of some magnitude developed early in the week and a good business was transacted. Refiners bought heavily and some 20,000 tons of foreign 96 per cents were sold up to 4/9 3/4d p cwt, c.i.f. There was no fresh feature to account for the rise other than a replenishment of stocks by British and American refiners. Coffee was a quiet market and supplies of milds met little response at the auctions. The value of Superior Santos advanced on the higher rate of exchange and business passed at fm 2s to 2/6 p cwt over prices ruling a week ago. The recently imposed duty on tea did not materially affect the market. Java grades declined owing to the incidence of the higher tax imposed on teas of foreign growth, but Indian & Ceylen descriptions were comparatively steady. Despite the fact that news reached London from Calcutta that a settlement in the hours and looms dispute had been arrived at, raw jute remained a dull market and prices declined under Calcutta selling, where supplies are arriving from up-country in excess of requirements. Other fibre markets also dull. Manila hemp fell substantially in value, solely owing to the absence of demand from trade sources. Statistically the position remains sound but the parlous state of the shipping and coal trades is reflected severely in this particular market.

#### WILEMAN'S BRAZILIAN REVIEW

We beg to remind our readers that our offices have been moved to rua da Quitanda, 161, 1.º andar, to which all local communications should be forwarded. Mailed matter, however, should be addressed to Caixa do Correio (P. O. Box) N.º 809, Rio.



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## BRITISH FINANCE AND COMMERCE

By Robert MacKay.

Ever since the War the motor industry has had the advantage of what the newly-appointed Import Duties Advisory Committee has called «duties of pronounced protective character». These duties, termed the McKenna Duties after the Chancellor of the Exchequer who imposed them in 1915, were as high as 33 1/3 per cent on, inter alia, motor-vehicles, accessories and parts. They were originally imposed for a variety of reasons, mostly connected with the War, and they have remained unrepealed to the present day. Whatever the intention of Parliament was when these duties were fixed, few will be found to deny that have contributed greatly to the building up of the British motor industry, which in the same period has passed from an industry manufacturing almost entirely for the home market to one with a large and expanding export trade.

In a recent article in the British Press, Mr. Pybus, the Minister of Transport, said that it is a matter of congratulation that during a period of unparalleled depression in trade the British motor industry, though not passing through that period unscathed, has been able to hold much of the ground which has been won in the past. He gives figures justifying this claim, and goes on to state that in motor engineering and construction Great Britain stands second to no other country. It is only necessary to recall the fact that at the Motor Show held in London last autumn there was presented the sight of the three great engineering creations by which the speed records by land, water, and air had been captured by Britishers operating British machines, to realise how absolutely true the Minister's statement is. No greater tribute could be paid to the genius of the engineers and the skill of the mechanics and craftsmen which rendered possible these feats. Since that date Sir Malcolm Campbell, with his famous car, the Blue Bird, has gained the land speed record of 253 miles per hour, thereby beating his previous record by eight miles an hour.

A superficial examination of the figures for licences issued last year for driving motor-vehicles in this country would seem to suggest that the home trade had suffered a temporary setback. In

comparison with the figures for 1930 there was last year a decrease of 73,000 in such licences. This decline, however, is mainly in the figures for motor-cycles, the falling-off in licences for driving such vehicles being 100,000. In all other classes of vehicles there was an increase. Two reasons have been suggested for this decline in the number of home purchasers of motor-cycles, one is that the potential buyers of this class of machine have been more hit by the general trade depression (the motor-cyclist having a smaller purse than the car buyer) and the contrary view is that the cheapness of the small car has made the motor-cyclist ambitious to be a car owner. The low prices now fixed by British manufacturers of these small (or «baby») cars is effecting a revolution in motor transport. If mere numbers are to be taken as the criterion success, there is reason to be satisfied with the progress the industry has made in the last decade. In 1922 licences were issued for 975,000 motor vehicles of all kinds. By 1925 this total had risen to a million-and-a-half, and last year, despite the temporary check in the rate of expansion, no less than 2,213,722 cars were on British roads—an increase of nearly 60 per cent.

During the past two years there has been some contraction in the value of exports of British cars, part of this being due, of course, to lower prices. This falling-off, however, has been smaller than in most other British industries. But while falling world prices played their part in reducing the value of British motor exports in the last year or two, the depreciation of British currency in terms of the currencies of those countries still on the gold basis undoubtedly has administered a filip to the export trade in recent months. In each month since last November more British motor-vehicles have been exported than in the corresponding months of the previous year. These cars are of all classes, but the advance made in recent months in the export of commercial cars has been one of the more striking features. Especially noteworthy have been the exports of British trolley-omnibuses, which are making rapid headway in all parts of the world. British manufacturers lead in the production of this class of vehicle, which is popular for its low running costs, large carrying capacity, and its ability to take up or discharge passengers at the pavement's edge.

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## SAN PAULO RAILWAY

Mr. Oliver Bury at meeting (26 Apr.) said that prospects for 1932 are not discouraging, but position is very much bound up with remittance of funds from Brazil to this country. It is impossible to forecast rate of exchange, but it is felt that world difficulties are tending towards solution. At present Co. has large cash holding in San Paulo banks, which at current rate of 43/8d. per milreis corresponds to £488,344. During 1931 road competition assumed increasing importance, but special measures are being taken to advertise transport facilities offered for both passengers and goods by San Paulo railway's own road motor section, and board is hopeful that this will be attended with success. Last year coffee traffic on main line of railway was 20 p. c. greater than in 1930.

«Investors Chronicle and Money Market Review»

## BRAZILIAN TRACTION STOCK DIVIDEND

The second quarterly dividend for the current year on the Ordinary shares of the Brazilian Traction, Light and Power Company is to be a stock dividend at the rate of one fully paid Ordinary share for each 50 shares held on April 30 next. Last year the company paid two stock dividends of 2 per cent. each and two cash dividends of 25c. per share each, while for the first quarter of 1932 a further cash dividend of 25c. per share was paid. Foreign exchange difficulties have been largely responsible for the decision to pay the stock dividend now announced, for the directors state that for some time past it has been impossible, except in a very restricted degree, to procure in Brazil foreign exchange for the purpose of remitting funds. In the circumstances, therefore, and in order to conserve the company's cash resources, the board considers it is inadvisable to declare a cash dividend at this time. — «Times Weekly Edition»

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## DECREES

N.º 21,322, dated 27th April, 1932. — Authorises the extension of time for the presentation of tenders for the electrification of the Central of Brazil Railway, to 31st July, 1932. (Diario Oficial 19th May).

N.º 21,382, dated 10th May, 1932. — The Chief of the Provisional Government of the Republic of the United States of Brazil, attending to the solicitations of the Government of the Republic of Argentina, with a view to improving commercial relations between the two countries, and in view of the fact the national production of Potatoes does not satisfy local consumption, necessitating importation of this article, decrees that the importation duties on Potatoes for consumption be reduced 25%, the same to enter into immediate effect. (Diario Oficial 19th May).

N.º 21,417, dated 17th May, 1932. — Regulates the working conditions of women in industrial and commercial establishments. (Diario Oficial 19 May, 1932).

N.º 21,410, dated 16th May, 1932. — Opens an Extraordinary credit of twenty thousand contos de reis for the Ministry of Communications & Public Works, for the necessary services of studies and construction of dams, highways, railways etc., for relieving the sufferings of the victims of the present drought in the Northeast of Brazil. (Diario Oficial 20 May, 1932).

N.º 21,360, dated 4th May, 1932. — Opens a Special credit of Rs. 1,617:493\$190 for the Ministry of Education & Public Health, for defraying cost of installation and equipment in the Inspectorate of Works & Drains, and for urgent improvements to the drainage system of Xerem and Mantiquira. (Diario Oficial, 23rd May).

N.º 21,399, dated 12th May, 1932. — Opens a Special credit of Rs. 635:635\$415 for the Ministry of Education & Public Health, for payment to the Rockefeller Foundation of half expenses incurred during November and December, 1931, in combatting Yellow Fever, over the whole of national territory. (Diario Oficial, May 23rd).

N.º 21,422, dated 18th May, 1932. — Approves of the Resolution of the Fire Insurance Company «La Fonciere», with Head Office in Paris, to increase their capital for operating in Brazil from Rs. 500:000\$000 to Rs. 1,500:000\$000. (Diario Oficial May 23rd).

N.º 21,418, of 17th May, 1932. — Governs the prohibition of Interstate and Inter-municipal taxation, and prescribes other provisions, and reads as follows:—

The Chief of Provisional Government of the Republic of the United States of Brazil:

Considering that interstate and inter-municipal taxation constitutes one of the most serious obstacles to the economic development of the Country.

Considering that, notwithstanding repeated denunciations, by express legal prohibition, they continue to exist, favoured by a condemnable political system, in various States of the Federation.

Considering that it is in the highest interests of the nation to definitely eradicate them from the State and Municipal tributary laws.

## Decrees:—

Art. 1. — That it is expressly prohibited for either States or Municipalities to create, on whatever pretext or purpose, or under any name whatever, in any shape or form, tributary taxes on inter-State or intermunicipal trade, including goods and personal effects, and the vehicles of transport of same by land, river, or sea, as well as those persons engaged in this trade.

Art. 2. — It is to be understood by inter-state or intermunicipal imposts, taxes or tributes, included in the prohibition of Art. 1, all taxes on operations necessary to the trading of foreign or national merchandise, when such is the object of commerce as between the States themselves, and between the States and the Federal District, as also, between the Municipalities pertaining to the same State, or to different States.

Art. 3. — Both the States and the Municipalities, are, therefore, forbidden:—

(a) to tax properties, or the vehicle of their transport, or persons engaged in this trade, on the entry into their territory, whether such goods and personal effects be either of foreign or of national production, and are destined for consumption within that particular State or Municipality of entry, or in any other State or Municipality;

(b) to levy imposts, taxes, or tribute, on the referred to goods and personal effects vehicles, and persons, when in transit through their territory.

Art. 4. — It shall be lawful only for the States or Municipalities to establish imposts, taxes, or tributes, which, under whatsoever denomination, may fall on foreign merchandise or national goods of the production of other States or Municipalities, when they fulfil the following conditions:—

(a) when one or the other of such merchandise, constitute the object of the internal commerce of the State or Municipality, having thus become an integral part of its circulating wealth, and is offered for public consumption;

(b) when the imposts, taxes, or tributes levied on such articles are absolutely identical with those on similar merchandise, products of the same State or Municipality;

Art. 5. — Holders of foreign or national merchandise, who may be prejudiced or threatened in their rights of tennency in virtue of State or Municipal laws establishing imposts, taxes or tributes in this decree shall have the recourse to apply for an order of the Cour of stay execution against the offending local Government.

Art. 6. — The Order referred to in the previous Art. shall be issued within twenty four hours of the receipt of the petition, and communicated to the official qualified to legally represent the State or Municipality.

Art. 7. — Against this Order only embargoes of fraud will be recognised.

Art. 8. — The embargoes referred to in the preceding Art. should be presented up to three days after the intimation of the Order.

Sole para:—On the expiration of this period, with or without embargoes, the legal process shall be presented to the Judge, within three days, who shall then pronounce judgment, confirming the Order, or otherwise.

Art. 9. — The confirmed Judgment shall im-

mediately go into effect, and cannot be suspended, whether appeal is made to a higher court, or whether action is taken by the State or Municipality against the holder of the merchandise.

Art. 10. — Within a period of five years, from January, 1933, the actual export taxes of the States must be abolished or substituted by other tributes, the States pledging themselves to make an annual reduction of 20% on the taxes in force, in their budgets, until their complete abolition.

Sole para:— The reductions referred to in this Art. should benefit equally all classes of exportation merchandise.

Art. 11. — Provisions to the contrary are hereby revoked.

Rio de Janeiro, 17th May, 1932, 111th Year of Independence, and 44th of the Republic.

(Signed) *Getulio Vargas.*  
*Francisco Campos.*  
*Oswaldo Aranha.*

(Diario Official 23rd May).

N.º 21,415, dated 17th May, 1932. — Authorises the incorporation by Senhores J. B. Monteiro Lebató, M. L. de Oliveira Filho, and L. A. Pereira Queiroz, of a Company, with Head Office in São Paulo, and capital of three thousand contos de reis, exclusively national, for the research work and exploitation of petroleum formations.

(Diario Official May 24th).

N.º 21,423, dated 18th May, 1932. — Approves the Resolution of the «Compagnie d'Assurances Générale contre l'Incendie et les Explosions», with Head Office in Paris, to increase their capital for operating in Brazil, from Rs. 1,500:000\$000 to \$Rs. 3,700:000\$000.

(Diario Official May 24th).

### PROPAGANDA OF BRAZILIAN COFFEE IN ESTHONIA, LITHUANIA, AND LETTONIA

(Contract signed Between National Coffee Council and Messrs. Herm, Stoltz & Co., Rio de Janeiro).

As a result of the studies of the various proposals made to the National Coffee Council for the propaganda of Brazilian coffee in countries where the consumption is comparatively small, they have signed another contract, on similar basis as those already made with the British Coffee Corporation and Messrs. Lawrence & Lee, for propaganda in England, Persia, India, and Irak.

The contract, we understand, gives satisfactory guarantees, financially, and as to the efficient service of propaganda.

As Lettonia, Esthonia, and Lithuania, at present consume little or no Brazilian coffee, the distribution of 300,000 bags in these countries should show appreciable result in the future consumption of the Brazilian product.

It is understood that the coffee delivered for propaganda to the contracting firm will be in national bags, stamped with the national colours and the official marks of the Council.

Other contracts will be made for the same purpose in Morocco, where already a small business is done through a Brazilian firm, and in

Japan, where the Institute of Coffee of São Paulo has already a contract, with the Nippon Brazilian Trading Company, Osaka, Tokio, etc., for the propaganda of coffee in an expansive scale.

#### NEW METAL IN CANADA'S MINERAL PRODUCTION

Selenium says the Canadian Department of Commerce and Trade, is the latest addition to the numerous refined metals now produced in Canada. A statement of the Department of Mines, Ottawa, notes that this metal is obtained as a by-product in copper refining and was produced for the first time in Canada early in 1931 at the plant of the Ontario Refining Company, Limited, Copper Cliff, Ontario. When market conditions improve, continues the statement, it is likely that selenium will also be recovered at the new refinery of Canadian Coppers Refiners, Limited, at Montreal East. Canada, it is pointed out, is now in a position to produce selenium in large quantities but the market for any output is at present restricted.

Selenium, in its metallic form, is characterized by an unique action towards light which made possible the development of the photo-electric cell or «electric eye». Although this is the well-known characteristic, selenium finds its chief market in the glass industry where it is used as a colorizer and for neutralizing other colours; it is also used in the pottery industry for the same purpose. In the manufacture of rubber products, selenium ser-

ves as a vulcanizing and accelerating agent and because of reputed properties of increasing resistance to abrasion of rubber up to as much as 80 per cent, it may have a large potential market in the rubber industry. One of the most important potential uses is in the production of selenium cells for television transmission and reception.

This metal, now included in Canadian mineral products, is not very abundant in nature though fairly widely distributed. It is found associated with sulphur compounds and often accompanies sulphides of heavy metals in the form of selenides. In the electrolytic refinery of copper, the selenium remains in the slime or residue from which it is extracted. The normal price during 1931 was \$1.80 to \$2.00 a pound and the marketable forms are amorphous powder and small rods and buttons. It is expected that research will develop new uses for selenium and broaden the market for this relatively new commercial product.

#### ONTARIO GOLD MINES STEPPING UP PRODUCTION

Gold mines of Ontario, Canada, produced at the rate of \$44,500,000 annually during the first quarter of 1932 against a rate of under \$40,000,000 during the first quarter of 1931. The Ontario Department of Mines reports bullion output valued at \$3,682,708 in January this year, \$3,602,966 for February and \$3,847,635 for March, a total of \$11,133,309 for the first quarter. For the similar period of 1931, the total was \$9,919,492.

The increasing scope of gold mining operations is shown further by the milling of 1,311,448 tons of ore in the first quarter of 1932 against 1,156,686 tons in the similar period a year ago. Values show little change averaging \$8.49 in bullion recovered per ton of ore this year against \$8.58 last year to the same date for all mines.

Both major gold-producing camps, Porcupine and Kirkland Lake show increases over last year in ore milled and value of bullion, Kirkland Lake showing the greatest gain. Compared with the same quarter a year ago, Kirkland Lake gained 64,121 tons in ore milled and \$733,335 in value of bullion while in the Porcupine camp ore milling increased by 55,500 tons and value of bullion by \$310,247. Kirkland Lake, which has much the richer ore, recovered \$5,707,397 from 442,264 tons during the first three months of 1932 and Porcupine \$5,071,630 from 792,110 tons of ore milled. The mines of Northwestern Ontario practically doubled production, compared with the first quarter of 1931, with an output of bullion valued at \$354,282. The values in silver, of comparatively trifling amount, are included with the gold in the bullion reported for each camp.

The gold production of Ontario is currently made up of the output of 15 mines of which six are in the Porcupine area, six at Kirkland Lake and three in Northwestern Ontario.

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## Reports and Meetings of Companies

### SAN PAULO (BRAZILIAN) RAILWAY CO., LTD.

The ordinary general meeting of the San Paulo (Brazilian) Railway Co., Ltd., was held on April 26, 1932, at Southern House, Cannon Street, E. C., Mr. Oliver R. H. Bury, M. I. C. E. (the chairman), presiding.

The Chairman, in the course of his speech, said: Brazil in 1931 has had to bear its share of the world-wide financial crisis, the effects of which have been evident in the commercial depression which continued throughout the whole period. The severity of the crisis may be gauged from the fact that in January, 1931, exchange, which the previous Government had endeavoured to stabilise at a little under 6d, was 43/4d, and by the end of August had fallen as low as 35/32d, and this in spite of a policy followed by the Provisional Government of strict economy and retrenchment. By the end of the year, however, exchange had recovered to 435/64d.

The receipts of the main line and Bragantina extension combined amounted to 95,000 contos of reis, the sterling receipts being £1,548,000, in comparison with £1,948,000, or a decrease of exactly £400,000. The working expenses of the combined system amounted to £1,004,000. Adding to this the amount for interest on stores, London office expenses, and the amount of the pension fund, Brazil, we get a total of £1,107,000, which when deducted from the sterling receipts of £1,548,000 gives a net profit of £441,000, as against £492,000 in the year 1930.

We recommend the payment of a final dividend on the Preference stock of 2 1/2 per cent., less income tax, making 5 per cent. for the year, less income tax, and on the Ordinary stock 5 per cent., making 7 per cent. for the year, free of income tax. The exchange at which our currency figures were converted into sterling was 3.895d, against 5.313d in the previous year. From the month of March the fall in exchange became accentuated, and in addition to this, since September difficulty has been experienced in obtaining remittances from Brazil — a condition which still obtains.

With regard to the receipts, the total tonnage over the main line exceeded that of the year 1930 by 2.7 per cent. This was mainly due to coffee traffic, which was 20 per cent., greater than the previous year. From our receipts this year we have excluded any proportion of the freight in respect of «Coffee in transit», which, in the case of the year 1930, figured as £40,000. Exported chilled meat was well maintained, and the transport of fruit was doubled. The aggregate exports were 3 per cent. greater than those of 1930. On the other hand, there was a decrease in imports, principally coal and sugar. In passengers there was a decrease of 1,109,000 in numbers with but small difference in the currency receipts.

With regard to the prospects for the current year, the traffic receipts up to April 17 are 28,558 contos of reis, compared with 26,786 contos in the corresponding period of last year. At the present time there is to the credit of the San Paulo Railway in the banks at San Paulo 26,646 contos of reis, which at the exchange of to-day — namely, 4.4d — corresponds to £488,344; thus there is still a large balance of funds to be remitted from Brazil. At what rate these remittances will come over to London we cannot foretell — it may be at a lower than the rate of to-day. The superintendent, in his report to the Board, says the prospects for the year are not discouraging.

Last year I concluded my remarks with a note of

warning as to the possibility of the maintenance of dividends in view of the weakness of exchange and this position generally, a warning which was justified by the reduction which we have had to make. In looking forward to-day I would rather emphasise that the position is very much bound up with the remittance of funds which at present are in Brazil awaiting transfer to this country, and the rate at which these funds are transmitted to London. I would not like to venture any prophecy as to the course of exchange, but I think there is a feeling that world difficulties are tending towards a solution, and it is our earnest desire that Brazil will be one of the first countries to return to normal conditions.

The report and accounts were unanimously adopted.

### GREAT WESTERN OF BRAZIL

The G. W. of Brazil's sterling receipts, says «The Investor's Chronicle and Money Market Review», have never been so small since 1913. The low Brazilian exchange was the main cause of the bad net 1931 results, but receipts were affected by the poor sugar crop carried in the early months of the year. When the new crop came forward in September, traffics improved a little, and they were also assisted by some diminution in road transport competition, while better passenger traffic was secured towards the close of the year.

The net railway revenue was only £32,542, as compared with £113,143 for 1930. The 6% permanent debenture interest was earned about 1 1/2 times, but on the 4% debentures less than 1% was earned, and meeting the interest in full involves a deficit of £39,751. The 4% debenture sinking fund requirements are also met, but no allocation is made to the fund for amortisation of the 6% debentures or the share capital. The sum required to cover the latter items for 1931 would be £40,770, but even without charging them the credit balance of £6,459 brought in is converted into a debit of £63,305. Restrictions on exchange transactions hampered remittances to London, and a large sum in currency accumulated in Pernambuco awaits transfer. The balance-sheet shows £127,787 cash at bank and in hand on 31 December, but there is no indication of the proportion in Brazil. Investments in British Government securities and the company's own debentures stand at £57,596. Debenture interest accrued amounted to £34,447, being equal to about six months' interest on the two issues.

Even before the world economic depression this Company had been faring very poorly, though results began to improve after more favourable working arrangements were made with the Brazilian Government. The effect of these was seen in the dividends of 6% on the preferred shares and 3% on the ordinary for 1929, earned with a fair surplus. These distributions, however, represented the only payments on the share capital since 1914. Improvement depends very largely on a recovery in Brazilian exchange. The 6% debentures are now 68 and the 4%'s are 41. The £10 ordinary shares at 15s and the 6% non-cumulative £10 preferred at 25s must be regarded as quite speculative until the outlook is clearer.

### WILEMAN'S BRAZILIAN REVIEW

We beg to remind our readers that our offices have been moved to rue da Quitanda, 161, 1.º andar, to which all local communications should be forwarded. Mailed matter, however, should be addressed to Caixa do Correio (P. O. Box) N.º 809, Rio.

## CONDITIONS IN THE BRAZILIAN AUTOMOTIVE TRADE

### Part II

#### Present Exchange Renders Cost to Brazilian Purchasers Much Higher Than Heretofore — Distribution Difficulties Discussed

The various factors concerned with the existing depression in Brazilian automotive trade were discussed in the preceding issue of *Commerce Reports*. The possibilities for successful ways of handling the difficulties are considered in the present issue.

#### Factors in Cost Increase

Two vital factors in the cost of an automobile in Brazil are the import duty and the fluctuating rate of milreis exchange. Payment for the car itself depends on the daily rate of exchange for dollar drafts on New York.

The amount of duty, based on net dollar value at the port of entry, was formerly collected at an *ad valorem* rate which went higher as the milreis fell, since part of the duty was paid in gold at a varying ratio. In 1929, for instance, cars imported through Santos paid a duty of 28.5 per cent of the dollar invoice value plus a highway tax of 20 per cent of the duty; but cars brought in at the end of 1931 had to pay 52 per cent of the dollar value plus the highway tax, which had been increased to 30 per cent of the duty. In other words, a car that cost the importer about 10,000 milreis in 1929 increased in cost to approximately 22,000 milreis at the end of 1931. The dealer, of course, had to make corresponding increases in his retail prices.

Recently, however, the method of assessing duties has been changed from a value basis to a weight basis, thus eliminating most of the uncertainty connected with the former system.

#### Possibilities of Better Exchange Rates

If exchange fails to improve the low-price car will become a medium-price car and the latter will become actually a high-price car. Consequently, sales will be limited until such time as internal prices, salaries, and cost of living become adjusted to the present milreis rate.

Many in the trade feel that there will be an improvement in exchange in 1932. These business men see that the country (through drastic cuts in imports) had a favorable trade balance at the end of 1931, estimated at \$75,000,000 (United States currency); that arrangements made by the Federal Government will avoid the need for paying some \$45,000,000 a year on foreign-debt services; and that the possibility of a similar arrangement for State and municipal obligations (another \$55,000,000 or so per year) will relieve the exchange market of demands for these amounts, practically leaving the favorable trade balance available for covering the private and commercial foreign remittances.

#### Exchange Operations Controlled by Bank of Brazil

Car imports are restricted not only by the rate of exchange but by the difficulty in securing dollar credits, even at existing rates. Because of the rapid depreciation of the milreis in August and September, 1931, the Brazilian Government gave a monopoly control of exchange to the Bank of Brazil. Drafts on New York resulting from the exports of Brazilian products had to be sold to the Bank of Brazil, which could reserve the necessary amount to meet foreign obligations of the Federal and State Governments. Some of the balance was rationed among various private banks.

To allow the Bank of Brazil to accumulate cover, a decree of October 8 permitted merchants with drafts

for foreign merchandise due between October 9 and December 31 to postpone payment for 60 days. A deposit of 12 milreis per dollar was required on the due date, with the understanding that the difference between 12 milreis and the rate prevailing at the date of final payment (perhaps 16 milreis or higher, or lower) would have to be made up by the importers when the draft was finally paid. During that period, however, a large proportion of the importers failed to avail themselves of this opportunity and secured cover to meet their drafts on the original due date. Toward the end of the year the Bank of Brazil had made larger amounts available to the other banks, so there was less difficulty in paying actual drafts on merchandise.

This was not the case with the opening of dollar credits in New York to pay for cars and trucks to be imported. Requests for such credits had to be forwarded through the importer's bank to the Bank of Brazil. At first the amount of cover remaining in the Bank of Brazil after other needs had been met made it extremely difficult for such dollar credits to be permitted. A somewhat larger proportion of the requests were reported as granted during December.

This control of exchange operations by the Bank of Brazil also makes it difficult for local branches of American automobile tire and gasoline companies to convert the milreis received from local sales into dollars for remittance to their home offices. Similarly, the payment for any stocks consigned to local distributors is impeded. It is yet uncertain whether exchange operations in 1932 will be even further restricted, or whether improvement in the economic and financial position of the country will permit the Government to allow greater freedom in exchange transactions.

#### Existing Distributive Organization for Passenger Cars

Given an increased car-purchasing power in Brazil through greater milreis income and a better rate of exchange, the next requirement is the organization for selling and servicing.

**Low-price makes.** — Two low-price cars are now handled from assembly plants in São Paulo. Formerly one of these organizations had a complete assembly plant in Rio de Janeiro, with branches doing partial assembly in Recife and Porto Alegre. At present all cars of these two makes are assembled in São Paulo, but in other cities branch sales offices or traveling representatives working from São Paulo are maintained. Similarly, employees of the credit and acceptance divisions are located in the different areas.

Each of the two principal low-price makes has several hundred dealers throughout Brazil, the proportion being roughly 40 per cent in the São Paulo district, 30 per cent in the Rio de Janeiro district, 18 per cent in the Porto Alegre district, and 12 per cent in northern Brazil. States where the largest number of dealers are maintained are São Paulo, Minas Geraes, and Rio Grande do Sul. A fairly large proportion of these dealers are without stock but continue to get along on service and parts. Most of the sales naturally are made by 50 and 60 of the dealers in the principal towns.

**Medium-price makes.** — During the days of large-volume sales in medium-price cars, the distributors in São Paulo, and to a less extent in Rio and other cities, had subdealers to whom they sold at wholesale. For some makes these ran as high as 50 to 70 dealers in the São Paulo district. At present the few sales obtained are now being made by the distributors themselves in the principal cities. In the São Paulo district the interior dealers of



many makes do not number over two or three; none are found in other sections.

In São Paulo there were in December, 1931, 10 firms which had direct franchises from the factories in the United States, handling between them 10 makes of cars; at least two of these have no cars in stock, their remaining vehicles having been taken over by finance companies. In addition, there are branch offices maintained by the manufacturers of two European cars — «Fiat» and «Morris». One or two other medium-price cars are represented through local dealers who receive their franchises from assembly plants in São Paulo.

At least 14 makes of American cars formerly represented in São Paulo are without distributors, owing to failures or withdrawals from business.

In Rio de Janeiro five American medium-price makes are represented by distributors holding franchises direct from the United States; one of these is without stock. Two other makes have dealer arrangements with São Paulo distributors or assembly plants. «Fiat» has a factory branch.

In Rio Grande do Sul five American medium-price cars are represented directly; each distributor has the entire State, four being located in Porto Alegre and the other in Pelotas. Another dealer handles another make received from a São Paulo distributor. «Fiat» has a dealer.

The States of Paraná and Santa Catharina are generally handled from São Paulo; but two American cars are represented at Curitiba (Paraná), one at Blumenau, and another at Joinville (both in Santa Catharina).

In various cities of northern Brazil there still remain a certain number of dealers who are nominally importers, receiving cars direct from the factories, but who in general imported nothing during 1931, made no sales, and have no cars in stock. In Bahia four cars were represented in this fashion, though isolated units were sold during 1931. In Recife the same number of cars and distributors were in business but inactive, and another make had two units in stock. In Fortaleza (Ceará) two dealers existed; in São Luiz (Maranhão), three; in Belém (Pará), four; and in Manaus, apparently none.

**High-price makes.** — High-price cars listing at over \$2,000 in the United States are handled by the two assembly plants, with exclusive dealers in São Paulo and Rio de Janeiro; the regular dealers of the low-price units can cooperate to sell the expensive units in their own territory. In São Paulo two other high-price cars are represented; in Rio de Janeiro, three. The only other point where high-price cars are directly represented is said to be Porto Alegre (handling one of these makes).

#### Distributive Organization for Trucks

A large share of the medium and heavy trucks imported into Brazil are of one make, which has factory branches at Rio de Janeiro and São Paulo carrying stock and 35 dealers in Brazil, principally in the cities previously mentioned. One of the assembly plants likewise has medium-price trucks selling in fair quantities through dealers regularly handling the low-price units.

Direct distributors of American truck lines number 6 in Rio de Janeiro; one is out of stock. «Fiat» and Thornycroft have factory branches in São Paulo. Several makes previously represented are without dealers.

In Rio de Janeiro only two medium and heavy trucks were directly represented as late as December 22, 1931, except for the two European trucks previously mentioned for São Paulo.

Porto Alegre, Curitiba, and Blumenau each have one direct truck distributor. In Recife four trucks are nominally represented, but stocks are confined to four units of one

make. In Bahia only two trucks have direct representation. As far as could be ascertained, the only other direct truck importers in the north are one each at Fortaleza, São Luiz (Maranhão), and Belém (Pará).

#### Preparing for the Future

The medium-price car and truck manufacturers whose distributor organization has failed in Brazil face the problem of acquiring new ones, and it will be even more difficult for an unknown car or truck to get started. Unless conditions improve in 1932 more than is anticipated at present, a manufacturer of medium-price units will be doing well to sell in Brazil during the year more than 80 to 100 cars and a like number of trucks. Various makes of cars sold in 1928 from 400 to 700 units, and one or two makes of medium-price cars sold as many as 1,500 units. For obvious reasons the medium-price car is not likely to recover so quickly in Brazil as the low-price units, but there should be a steady demand for the better-quality vehicle when a degree of prosperity returns to the country.

The manufacturer who stays out of Brazil until the demand has reached, say, 300 units will lose business to the makes that are consistently represented in the market during these lean years, and that have built up in the mind of the public the confidence that a buyer of their cars or trucks will always be able to secure adequate service.

It is significant that British and Italian car manufacturers are establishing local branches and entrenching themselves in preparation for future sales; it is highly improbable that their present operations show a profit. Some American manufacturers, on the contrary, are staying out of the market and hoping to regain their lost position when conditions begin to show definite improvement.

#### New Distributors and Their Sales

An analysis of the sales of several makes of medium-price cars and trucks during the years 1927-1931 shows varying percentages of sales in the different districts of Brazil. Thus, the São Paulo district took from 44 per cent to 51 per cent of these sales in all Brazil. The Rio de Janeiro district, 26 per cent to 43 per cent; the Porto Alegre district, 9 per cent to 13 per cent; and northern Brazil, 3 per cent to 18 per cent. Assuming that the solution of the coffee problem may take some little time, the São Paulo district may not pick up so rapidly as some other parts of Brazil. It might not be far wrong to calculate that in 1932 the average medium-price car or truck manufacturer would find his sales in Brazil distributed about 40 per cent in São Paulo district, 40 per cent in Rio de Janeiro, 10 per cent in the Porto Alegre district, and the remaining 10 per cent in northern Brazil.

In other words, about the only places where any important sales are likely to be made are in the cities of São Paulo and Rio de Janeiro; to a less extent in the city of Porto Alegre and Bello Horizonte (Minas Geraes); and perhaps a few units in Recife, Bahia, or Fortaleza. These last three cities, however, would not take enough cars to make it worth while to send a man there to secure a distributor, if sales just for 1932 were considered; but where actual dealers exist at these points, it is probable the factory or its South American representative (who might reside in Brazil) will find little difficulty in selling them one or two cars or trucks at a time. Looking farther into the future, the same percentages spread over 300 to 400 units or larger quantities would make enough business for the São Paulo distributor again to establish subagents in the more important towns of the State of São Paulo

and in one or two cities of Paraná, Santa Catharina, and Minas Geraes. Similarly, a few more of the northern towns, such as Maceió, Natal, and Pará, would come into the the buying group.

#### Value of Keeping the Same Dealers

Where a manufacturer still has distributors or dealers, there are obvious advantages in trying to keep them in business. Some have gained valuable experience in the none-too-easy job of selling cars and trucks. They may have lost most of their money, but have learned lessons. It may be much wiser to do everything possible to retain such a dealer now and have him when better times come, than later to get somebody willing to take on an automobile distributorship.

Too often in the past good car lines have been entrusted to dealers with capital but with no experience in automotive merchandising and sometimes not even in general business. When they began to lose money or to become involved, they demoralized the markets for their competitors; when they finally dropped out, the factory lost prestige and the car owners the continuity of service.

Moreover, the memory of the money lost by distributors is making it difficult for some factories to find new distributors. In the past, it is claimed by dealers in Brazil, many car and truck factories have seemed interested principally in volume and, according to the opinion prevalent locally, to a less extent in the profits of the dealer or the satisfaction of the purchaser from the service standpoint. If this is true, it is obvious that a change of attitude will be necessary to assure permanent business in the future.

#### Time for Spade Work

When factory executives look at export markets and consider future prospects, it becomes more and more apparent that South America should be considered as a most important field for automotive exports from the United States. In the future, as in the past, it is almost certain that Argentina will be the largest market for automotive vehicles in South America and Brazil the second, in spite of annual fluctuations in the latter country. Few of the other South American markets seem likely to approach Brazil's annual average imports. Once it is realized that these South American countries will not be making automobiles for many years, but that their need for automotive transportation will be constantly increasing, the value of cultivating this market is apparent.

The present dull business period gives American manufacturers an opportunity to lay the foundation for better business in the next few years. Instead of withdrawing completely from the market and failing to keep their name and product known in Brazil by encouraging their distributors to stay in business, the factories might well consider some of the following points during 1932: (a) Study the Brazilian automotive conditions closely; (b) if capable, well-rounded factory representatives can not be sent at present into the market to learn conditions thoroughly, the factory should follow matters closely and, by correspondence or cables, let existing dealers know frequently that it is in complete sympathy with their problems; in other words, keep up their interest and morale; (c) select distributors who will work also for the future; (d) train them in proper methods of selling, servicing, accounting, financing, and advertising; and (e) evolve some arrangement which will make it possible for the dealers to work with less capital and smaller risk, but with greater assurance of profitable operation.



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#### Factory Distribution Methods — Assembly Plants

The American manufacturer has a choice of various methods of distribution in the market, each with its advantages and disadvantages and each representing a different degree of penetration.

The most direct is the establishment of branch assembly plants. This is practicable for the manufacturer only in the case of large-volume sales, possible now for only a few low-price makes. Where such a manufacturer also has medium or high price lines, he can distribute them with the same assembly-plant facilities and personnel. The dealers say, however, that the assembly plant is a satisfactory method, for they receive the cars in Brazil without having to import direct, their investment is greatly reduced, the risk is minimized, and they need not worry about exchange fluctuations and changes in duties.

Moreover, the assembly plants give the dealers both wholesale and retail credit. Cars are now put on their floor after a down payment of about 20 per cent, the balance due in three months. If the car is not sold by that time another 20 per cent payment and the corresponding interest will give them an additional three months. When the car is sold the balance must be paid in full, unless the assembly plant takes over the retail paper, which it is usually willing to do after verification of the standing of the retail purchaser. This arrangement is obviously an interesting proposition to a good salesman with minimum capital.

Consideration of the establishment of a branch assembly plant, of course, involves other factors of direct interest to the manufacturer which must be determined by careful investigation of the economic and political and legislative situation in the country.

### Factory Sales Branch

A distribution method one step removed from the assembly plant is the factory sales branch in São Paulo or Rio de Janeiro. It receives stock direct from the factory, calculates local prices in milreis, sells at retail in the principal cities, and at wholesale to dealers in other towns. This is the method now being followed by the Italian «Fiat» and the British «Morris» and by one American truck company. It was also used by one American medium-price manufacturer in Brazil during 1924-1928, and was partially responsible for that make outselling every other make of car in Rio de Janeiro for several years; Several other car factories considered similar branches, but decided against them in 1929 when sales declined.

The disadvantages are: (a) The plan, to be profitable, usually requires a fairly large volume, and the overhead, warehouse, etc., expense becomes a disproportionate charge when the volume of sales decreases; (b) a resident manager is required — usually an American sent down from the factory — and his salary generally must be higher than that of a Brazilian manager or a distributorship; (c) if after he has learned the market he returns to the United States, someone else sent to take his place may lack the background of local conditions and may make costly mistakes; (d) fluctuating exchange, changing tax laws and regulations, etc., will affect the operation of companies in Brazil, as under present conditions; (e) the factory that has produced a few hundred extra cars in one month may be inclined to ship them to the Brazilian branch over the protest of the local manager, and so overload him to a point where he may later have to liquidate at a loss (this happened in Brazil, not only with a medium-priced car but also a truck, of which some 1928 models still remained on hand at the end of 1931). From the dealer's standpoint, the factory branch is almost as satisfactory as the assembly plant in the matter of ease of securing cars locally within a few days and in local currency.

### Selling for Cash in New York

The method generally used by most medium-priced car and truck manufacturers, as being the most satisfactory from their standpoint, is to require that the dealer open dollar credits in New York and pay for the cars before shipment, for risk ceases at that point. This method of selling is satisfactory if it gives manufacturers a fair share of business over a long period of years; but in lean years, as in 1931 and 1932, financing credit is hard to secure, exchange is fluctuating, and it is difficult for the dealer to import.

There are now in Brazil firms having the capital to import, but unwilling to take the risk. They realize that, if they buy and pay in advance for a car at 16 milreis to the dollar, the car may not be sold; later, should exchange improve to 12 milreis, a rival dealer can bring in a similar car and sell it 25 per cent cheaper, and the first dealer will lose business until he cuts the price of his car. On the other hand, if he used finance-company money to buy the car and exchange went to 20 milreis, he might already have sold the car at a retail price based on 16 milreis exchange and so would have lost 25 per cent on every vehicle.

There are also in Brazil various firms which, though having learned automobile merchandising, nevertheless have lost money in the business. They have experience, but no longer the capital or the credit to import and to pay for the car in New York before shipment. If there are companies willing to develop a plan to meet such dealers half way, these companies would probably be able to retain them

as their distributors and receive the benefit of the dealers' experience.

Finance companies that used to finance these shipments from New York and lent the money to pay the manufacturers, but had no repurchase agreement with the factories, lost considerable sums of money in Brazil by having to take over the remaining stocks and liquidate at milreis prices that were less than their dollar investment. In the future they probably will be less willing to help dealers pay cash in New York, unless they have an agreement with the factory to buy back the cars in the event of nonpayment of the loan by the dealer.

### Selling on Terms

The manufacturers of a great many other American products have extended credit terms of 60 or 90 days sight draft to most of their purchasers in Brazil, as in Argentina. The car and truck manufacturers have been an exception to this general rule.

If car and truck manufacturers now find too great a resistance to buying on terms of cash in New York and still want to sell in Brazil or other markets, some may decide to extend credit terms of one type or another. It is reported that this is already being done in Argentina by some makes, particularly in order to make it easier for distributors to carry a complete range of models.

### Consigned Stocks

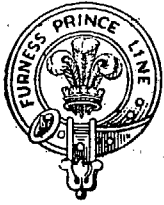
Many a local firm, when approached by a manufacturer looking for an importing distributor, will reply that he will be interested only if the factory will give him cars on consignment. This is particularly the case with a make of vehicle not already known in the market or with a new model. Local dealers are particularly anxious for consigned stocks during a time of fluctuating exchange.

It must be admitted, however, that consignments of cars and trucks involve much more risk than consignments of other merchandise, which stays on the importers' shelves ready to be repossessed if necessary with less loss than a car or truck that may have been used for demonstrating. Furthermore, the artificial obsolescence of a car one year old, due to change of models, is more pronounced than in the case of other merchandise. Moreover, consigned stocks mean that the dealer does not have his own money tied up and so may not work as hard to sell the vehicles. Warehouse Plan — Factory Representative to Control

### Stocks

For manufacturers who are looking for a way to avoid the operation of assembly plants or factory branches, or consigning of stocks, or selling for cash in New York, those in the trade seem to feel that some kind of local warehouse plan would be the solution. The comments of the trade are accordingly passed on for whatever they may be worth. In any case, it is obvious that any manufacturer contemplating handling distribution as discussed in the following paragraphs should carefully investigate all phases of the matter and consult the dealers to be served before attempting to put this plan into operation.

This plan might offer to the dealer some of the advantages of factory branches or consigned stocks without so much risk and still be a financial help to him. It would be designed particularly to aid distribution in the next year or two; but when more normal conditions return it could be modified or abandoned at will. The plan would mean maintaining stocks at a central point, such as São



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Paulo, from which delivery could be made to other points in Brazil.

Brazil is a scattered market, with separate distribution in at least the four main districts, particularly in the north where the cities are connected not by railroads but by coastwise ships. It is especially difficult for these northern dealers to carry adequate stocks, or to sell from catalogue and require the customer to wait two months or more for its arrival from the factory.

A warehouse plan, according to the Brazilian trade, could best be worked out by a manufacturer who maintains a factory representative for South America, especially when this man makes his headquarters in Brazil. A small number of units, say 8 or 10, would be consigned to the factory representative or to the São Paulo branch of an American bank. They would be stored in the original boxes in a regular warehouse of some local warehousing company of established reputation. The duties would be paid by the bank for the account of the manufacturers, the value of the duties constituting a loan in milreis with the car as security.

### Payment in Dollars Before Delivery

The factory representative might have one car set up in the warehouse, unboxed, and covered with a tarpaulin. Without taking it out for demonstration he could probably sell to dealers in São Paulo and in Rio at least one or two units. The dealer would have to pay to the bank the full invoice price (with freight) in dollars (by purchasing a dollar draft at the rate of the day), and would also have to pay the amount of the duties and interest in milreis, plus the charges for storage and handling made by the warehouse company and by the bank. On receipt of all these moneys in full, the bank would issue an order to the warehouse company to turn over a boxed car to

the dealer or to ship it to him, as directed. If the dealer lacked capital he could arrange with the finance companies to lend him the cash for the wholesale purchase or to take the retail time-payment paper of the customer.

Even if exchange should not improve or should become worse in 1932, so that the price of the car in milreis would be extremely high, there are always some who are able to buy cars regardless of price, or there is some public utility or other company which must have another truck to replace a worn-out unit. Prompt delivery is often the controlling factor. This would mean that the factory might sell more units in 1932 and 1933 than would otherwise be possible and would keep its dealers in business.

The trade feels that there should not be any appreciable extra expense to the factory. The cost of the interest on investment and the warehousing costs would be added to the price of the car. The amount involved should not be appreciably more than that which the dealer paid himself in interest charges, bank credit charges, and storage costs when he imported direct. If a factory representative for South America is maintained, his salary and expenses would perhaps continue to be borne by the factory and charged to general export expense. The adoption of a warehouse plan, however, would make it possible for the representative to spend his time selling cars. The cost of his salary and expenses would be primarily an investment for the future, but if he sold more units through the warehouse plan than he could otherwise, the investment is more productive of immediate returns.

### Risk to the Factory

It is probable that such a plan would not be so much of a risk as establishing a factory sales branch, or even consigning stocks, or making sales on credit. No exchange risk would be taken except the difference in

fluctuating duties. The cars would be in the factory's possession until paid for in full in dollars.

The major point on which the factory would need to be very careful to avoid risk is the shipment of too many cars at one time or the selection of models that would prove unpopular in the market. A stock of only 8 or 10 cars, however, would not leave much room for loss through stocks to be liquidated, even at the end of the season before new models come out. As soon as one of these 8 or 10 cars is sold another could be reordered. If a dealer complained that the stock maintained was too small, the representative could permit the dealer to order direct from the factory the number of units desired, under the old system of payment in New York before shipment. The manufacturer's representative might better err on the side of being too conservative in stocks rather than too optimistic. If he found at the end of the year that a few models remained unsold and new ones were ready to be issued in the United States, he would have to ask the cooperation of his dealers to help him dispose of them. It would be well not to bring in any new cars until the old models are sold. As a last resort, the factory representative can sell the remaining cars at retail for cash.

The dealer would be saved the risk of exchange fluctuations. He need not order the car until he has it practically sold by means of the catalogue. Then he could buy it from the warehouse, perhaps to complete the sale within a couple of weeks. If he should fail to make the sale he would have to find another purchaser, but he would have been saved the exchange risk of having to place his order with the factory two or three months in advance. He would also have been able to get around the present difficulties in securing a dollar credit in New York for payment before shipment from that point.

#### \* Shipments to Dealers in North and South

The factory representative could make a trip to dealers in northern Brazil or Porto Alegre and sell to them from catalogue, shipment to be made from the São Paulo warehouse. If this trip were too expensive, he could do his best by correspondence or wait until the dealer makes one of his periodic trips to Rio de Janeiro or to São Paulo on the business of the other lines handled by the dealer. Then he could show the dealer the cars in São Paulo and sell him one or more units. The extra cost of transshipment should be willingly paid by the dealer, in view of the lesser risk in receiving the units from the warehouse rather than importing direct.

#### Variations in the Warehouse Plan — Free Port.

The foregoing plan has been discussed by factory representatives, financial companies, and banks in Brazil. Many seemed to be convinced that some such plan must be worked out and used if medium-price car and truck manufacturers are going to stay in the Brazilian market. The value of maintaining continuity of sales effort in Brazil is obvious. Certain possible variations in the above plan, however, have been suggested and considered.

One is that the usefulness of the warehouse plan would be greatly enhanced if it could be made to apply to Uruguay and Argentina as well. In such an arrangement the stocks would have to be held at a free port, so they could be drawn upon by dealers in any one of the three markets. Also, models found to be unsalable in one country might be sold in another.

Unfortunately, there seems no provision in Brazil for maintenance of stocks of any foreign commodity in

bonded warehouses at the port, where Brazilian import duties would not have to be paid in the event of later shipment to Uruguay. Nor can stocks designed for Brazil be kept outside of the duty limits without incurring very considerable customs warehouse charges. Negotiations with the Brazilian authorities for the establishment of a free-port warehouse might be undertaken. Possibly Uruguay may later be more interested in providing free-port facilities.

#### Cooperative Warehousing Finance Company Cooperation

Another plan suggested by the trade is that several factories try to cut expenses and improve the quality of warehousing by jointly operating their own warehouse in São Paulo under the direction of a capable and impartial bonded employee, who would handle all matters for the factories' accounts and arrange for adequate display of the unboxed models. The South American representative of the factory would do the actual selling, and the warehouseman would simply deliver the car on the terms previously arranged by the factory — whether for cash, promissory notes, in dollars, or in milreis.

Those factories, not wanting to add to their investment, but wanting cash in New York, might arrange for the finance companies to pay the factories in New York and make a repurchase agreement. The cars would then be delivered to the warehouse by the finance company for sale by the factory representative, as previously indicated. If the cars should remain unsold many months the factory could be advised, and the factory representative would endeavor to dispose of the cars in stock before the repurchase clause becomes operative.

Whatever the method devised there seems a definite need for some kind of closer cooperation between factory and dealer. The future of Brazil, as one of the best foreign markets for American cars and trucks, warrants careful study at the present time.

(From "Commerce Reports" Washington)

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## Money

### OFFICIAL QUOTATIONS — CAMARA SYNDICAL

During the week ending 21st May 1932

Date	Pence per milreis		Value £ Sterling — Gold	Sight Dollars	Gold Vales
	90 days	Sight			
May 16	4.109/128	4.103/128	78\$000	138740	78504
" 17	4.55/64	4.13/16	—	138720	78493
" 18	4.221/256	4.209/256	—	138680	78482
" 19	4.219/256	4.207/256	—	138640	78449
" 20	4.227/256	4.215/256	—	138610	78438
" 21	4.57/64	4.27/32	—	138600	78427

Paris Fcs. 93.18, and New York, \$3.68, to the £ sterling.

Friday, May 20th — The Bank of Brazil posted in the morning drawing rate at 49\$152, with money at 48\$150, to the £ sterling, closing rates unchanged.

The London rate came \$3.67 5/8, Paris Fcs. 93.09, and New York \$3.67 5/8, to the £ sterling.

Saturday, May 21st — The Bank of Brazil posted in the morning drawing rate at 49\$073, with money at 48\$070, to the £ sterling, closing rates unchanged.

The London rate came \$3.67 3/8, and Paris Fcs. 93.03, to the £ sterling.

#### THE DAILY MOVEMENT OF EX-CHANGE

During the week ending 21st May, 1932

Monday, May 16th — The Bank of Brazil posted in the morning drawing rate at 49\$309, with money at 48\$310, closing at 49\$628, and 48\$640, respectively, to the £ sterling.

The New York rate came \$3.68, to the £ sterling, London — Holiday.

Tuesday, May 17th — The Bank of Brazil posted in the morning drawing rate at 49\$389, with money at 48\$390, closing rates unchanged.

The London rate came \$3.66 1/4.

Paris Fcs. 92.75, and New York \$3.66 1/4 to the £ sterling.

Wednesday, May 18th — The Bank of Brazil posted in the morning drawing rate at 49\$309, with money at 48\$310, closing at 49\$389 and 48\$390, respectively, to the £ sterling.

The London rate came \$3.66 3/8, Paris Fcs. 92.81, and New York \$3.67 1/4, to the £ sterling.

Thursday, May 19th — The Bank of Brazil posted in the morning drawing rate at 49\$468, with money at 48\$480, closing at 49\$389 and 48\$390, respectively, to the £ sterling.

The London rate came at \$3.67 7/8,

#### BANK OF BRAZIL — REDISCOUNT DEPARTMENT

Balance Sheet as at 21st May, 1932

Assets	
Bank of Brazil	56,525,342\$800
Securities Rediscounted:—	
In Rio	4,139,401\$530
General Expenses	1,552\$800
Rs.	60,666,296\$330
Liabilities	
Bank of Brazil —	
Apropriation	60,000,000\$000
Rediscounts	666,296\$330
Rs.	60,666,296\$330

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THE RIO MONEY MARKET

Exchange rates sight, Rio on:	17 May 1932	24 May 1932	25 May 1931
London (per £)	493389 - 503278	483761 - 493628	— 3,5/16
Paris	8556	8547	8583 8586
Italy	—	—	8780 8783
Belgium (gold)	—	—	28075 28079
Portugal	—	—	8670 8676
New York	133720	133480	143896 143910
Canada	—	—	143900 143920
B. Aires (gold)	—	—	—
B. Aires (paper)	33635	33318	48600 48610
Sweden	—	—	38995 48000
Norway	—	—	38995 48000
Japan	—	—	73370 73374
Spain	—	—	18500 18514
Switzerland	—	—	28370 28377
Denmark	—	—	38995 48000
Syria	—	—	3 0/32 3,5/16
Austria (shillings)	—	—	28115 28133
Roumania	—	—	8090 8095
Hamburg (Reichmark)	38375	38318	28550 38558
Montevideo	63725	63608	93000 93110
Holland	—	—	53985 53994
Value of £ sterling at sight rate	—	—	— 728452
Value of sovereign, buyers	748000	748000	— 718000
Discount Bank of England	2.1/2%	2.1/2%	— 2.1/2%
Do Bank-France	2.1/2%	2.1/2%	— 2%
Do Bank-Spain	6%	6%	— 6%
Do Bank-Italy	5.1/2%	5%	— 5.1/2%
Do Bank-Germany	5%	5%	— 5%
Do London Market	1.1/4%	1.3/16%	— 2.1/32%
Do New York Market	1%	1%	— 1%

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RIO DE JANEIRO STOCK MARKET QUOTATIONS (OFFERS) AT THE RIO STOCK EXCHANGE

On Monday, 23rd May, 1932

THE STOCK MARKET

The Stock Market	17 May 1932	24 May 1932	25 May 1931		
London				Uniformisadas, 5%	803\$ 800\$
Brazil Funding, 1898, 5%	75.10.0	76.0.0	—	Ferrovias (Railway Bonds)	1.007\$ 1:003\$
Ditto, 1914, new	55.10.0	54.0.0	—	Sundry issues, nom.	812\$ 808\$
Conversion, 1910, 4%	16.0.0	15.0.0	—	Ditto, to bearer	804\$ 803\$
Ditto, 1908, 5%	—	—	—	Treasury Oblig. (1931)	990\$ —
Federal District, 5%	29.0.0	29.0.0	—	Ditto, 1930	— 967\$
Anglo-South American Bk. Ltd. Ord.	0.3.1 1/2	0.12.0	—	Rodovias, nom.	— 700\$
Brazil Railway	—	—	—	Ditto, to bearer	— —
Brazil Traction Ord.	11.50	11.12	—	State of Rio, 100\$ bearer	90\$ 88\$
Great Western of Brazil Ry Co. Ltd. Ord.	—	—	—	Ditto, dec. 2,414, 8%	— —
Lampport & Holt Ltd. 6% Comm. Pref.	—	—	—	Ditto, £20, nom.	520\$ —
S. Paulo Coffee Estates Co. Ltd. 7%	—	—	—	Ditto, bearer	500\$ —
Cables Wireless Telegraph. Co. Ltd.	8.10.0	7.10.0	—	M. Geraes, 9%, Oblig.	906\$ 902\$
Western Telegraph. Co. Ltd. 4% Deb. Stock Red.	78.0.0	79.0.0	—	Ditto, 7%	720\$ 715\$
Brazilian Warrant Agency & Finance Co., Ltd. Ord.	0.2.0	0.2.0	—	Ditto, bearer	— 710\$
Rio de Janeiro City Imp. Co. Ltd. Ord.	1.2.6	1.1.3	—	Ditto, 5%, nom.	— 635\$
Mappin Webb	—	—	—	Ditto, bearer	— 550\$
S. Paulo Railway	95.0.0	100.0.0	—	Municipal Loan, 6% (1906)	— 151\$
Leopoldina Railway	—	—	—	Ditto, 6%, 1920	— 143\$
Dumont Coffee, 6%, pref.	—	—	—	Ditto, 6%, dec. 1914	144\$ 143\$
St. John del Rey Mining Ord.	—	—	—	Ditto, 6%, 1917	— 140\$
Rio Flour Mills.	1.1.0	1.1.6	—	Ditto, 1931, bearer	155\$ 154\$
Bank of London and South America	3.0.0	3.0.0	—	Ditto, dec. 1,048, 7%	— 163\$
Royal Mail	2.10.0	2.10.0	—	Ditto, dec. 3,264	157\$ 156\$
British War, Loan, 5%, 1929/47	101.12.6	101.5.0	—	Ditto, dec. 2,697, 7%	164\$ —
Consols, 2 1/2%	65.10.0	63.5.0	—	Ditto, dec. 1,999	— 157\$
Paris				Ditto, dec. 1,933, 8%	184\$5 184\$
Cie. Nav. Sud-Atlantique 5% remb. 500 fco.	—	—	—	Ditto, Dec. 1,535, 7%	164\$5 164\$
Cie. Gen. Aeropostale 7% d. n. r.	—	—	—	Ditto, dec. 2,093, 8%	— 183\$
Chargeurs Réunis ord.	—	—	—	Ditto, dec. 1,550, 7%	— —
Credit Foncier & Agricole de l'Etat de Minas Geraes	—	—	—	Ditto, dec. 1,622, 7%	— —
Credit Foncier du Brésil & Amerique du Sud 500 fco.	—	—	—	Espirito Santo, 6%	— —
Credit Mobilier Français	—	—	—	Nova Iguassú	— —
Etab. Mestre & Blatgé ord. 100 fco.	—	—	—	Bello Horizonte	700\$ 680\$
Port. de Rio Grande do Sul 5% remb. a 500 fr.	—	—	—	Petropolis	162\$ 160\$
Michelin & Cie. 1/6 part.	—	—	—	S. Paulo	805\$ —
Soc. André Citroën «B» 500 fr.	—	—	—	Porto Alegre, 500\$, 8%	445\$ —
Soc. des Filiales Etrangères Fichet A. 500 F.	—	—	—	Uberaba	— —
Sucreries Brésiliennes 100 fr.	—	—	—		
French rent, 3%	—	—	—		
Ditto, 5%	—	—	—		
Ditto, 4%, 1917	—	—	—		

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Rio de Janeiro

Docas da Bahia	—	10\$
Mercado Municipal	260\$	—
Sanatorio Botafogo	210\$	—
Bras. de Ferro e Man- ganez	920\$	—
Mestre Blatgé	200\$	165\$
Usinas Nacionaes	—	—
Brahma	390\$	325\$
Carbonifera R. Grandense	—	—
Artefactos de Borracha	80\$	—
Aguas S. Lourenço	230\$	200\$

### Debentures:—

Cervejaria Brahma	—	1:020\$
Docas de Santos	—	186\$
Brasil Cinematographica	—	995\$
Docas da Bahia	100\$	—
Commercial Leers	1:005\$	1:003\$
Guanabara	—	—
Bellas Artes	215\$	208\$
Hotels Palace	—	196\$
Manufactora	170\$	—
S. A. White Martins	1:030\$	1:000\$
Edificadora	150\$	—
Usinas Nacionaes	—	206\$
Mestre Blatgé	—	181\$
Mercado	—	210\$
Taubaté Industrial	202\$	200\$
Nova America	—	998\$
Bom Pastor	—	—
Esc. Eng. P. Alegre	—	—
Tec. Mageense	129\$	—
Ind. Campista	150\$	—
Ind. Mineira	—	—
Tijuca	—	—
Corcovado	—	—
T. Confiança Industrial	150\$	100\$
Cotonificio Gavea	—	—
Vera Cruz	957\$	956\$
Tec. Progresso Industrial	—	158\$
Carris Portalegrense	—	190\$
Tec. Alliança	148\$	145\$

### Banks:—

Brazil	410\$	405\$
Funcionarios	48\$	46\$
Commercio	100\$	92\$
Portuguez	61\$	—
Idem c/50 <sup>o</sup>	—	—
Mercantil	430\$	420\$
C. Real de M. Geraes	—	—
Economico	40\$	—
Boa Vista	—	510\$
Credito Real	—	—

### Railways:—

M. S. Jeronymo	107\$	103\$
Victoria a Minas	50\$	18\$
S. Paulo Rio Grande	—	30\$
Paulista E. Ferro	—	198\$

### Insurance:—

Previdente	—	—
Varegistas	1:200\$	900\$
Argos Fluminense	—	2:350\$
Garantia	—	90\$
Sagres	—	—
Lloyd Sul Americano	—	—

### Textiles:—

Alliança	—	95\$
Corcovado	50\$	25\$
Tec. Mageense	—	—
Taubaté Industrial	—	—
America Fabril	—	136\$
Brazil Industrial	—	318\$
Esperança	205\$	—
Progresso Industrial	—	85\$
Petropolisana	115\$	—
Confiança Industria	—	18\$
Manufactora	100\$	—
Nova America	200\$	130\$

### Sundry:—

Docas de Santos, bearer	—	232\$
Docas de Santos, nom.	—	224\$
Monitor Mercantil	40\$	—

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NEW YORK STOCK MARKET

Quotations on 25th May and 17th May 1932, at 12 noon

	May 25	May 17
American Car & Foundry Co	4.00	5.00
American & Foreign Power Co, Inc.	2.37	3.25
American Smelt & Refining Co	7.37	9.00
American Telephone & Telegraph Co	94.00	97.00
American Tobacco Company	53.50	60.87
Armour & Co of Illinois «A» Stock	0.87	unq.
Atchson, Topeka & Santa Fe Railway	26.50	30.00
Atlantic Refining Co	11.12	11.50
Baldwin Locomotive Works	3.00	unq.
Bethlehem Steel Corporation	12.50	13.12
Burroughs Adding Machine Co	7.00	unq.
Brazilian Traction, L. & P. Co Ltd.	7.87	8.50
Canadian Pacific Co	8.00	10.62
Caterpillar Tractor Co	5.25	unq.
Chrysler Corporation	5.75	8.12
Consolidated Gas Co	43.25	47.25
Corn Products Refining Co	30.25	35.25
Dupont (E. B.) de Nemours & Co	26.50	29.37
Eastman Kodak Co of New Jersey	41.00	43.25
Electric Bond & Share Co	6.62	11.25
General Electric Company	12.62	13.87
General Foods Corporation	22.75	28.50
General Motors Company	9.87	10.37
Gillette Safety Razor Co	13.12	14.25
Goodrich (B. F.) Co	3.00	unq.
Goodyear Tire & Rubber Co	7.12	10.00
Ingersoll Rand Co	16.00	17.25
Internat. Business Machines Corp.	71.00	77.00
International Cement Corp.	6.25	unq.
International Harvester Co	16.25	17.62
International Nickel Co Inc. (The)	4.37	5.00
Intern. Telephone & Telegraph Corp	3.12	4.87
Montgomery Ward & Co	5.00	6.75
National Cash Register Co (The)	8.12	8.50
N. York Central & Hudson River R. R	10.50	12.50
Norfolk & Western Railway	68.00	73.50
Radio Corporation of America	3.50	4.00
Standard Brands Inc.	10.25	11.50
Standard Oil Co. of California	18.25	19.00
Standard Oil Co of New Jersey	24.00	23.87
Studebaker Corporation	3.50	4.00
Texas Company	10.12	11.25
United States Rubber Co	2.75	3.00
United States Steel Corp.	27.87	28.75
Vacuum Oil Co (Socony Vacuum Corp.)	7.87	8.50
Westinghouse Electric & Manuf. Co.	22.87	24.25
Woolworth (F. W.) & Co	27.12	28.25

BANKS

Canadian Bank of Commerce	118.00	120.00
Chase National Bank, N. Y.	26.00	27.00
Guaranty Trust Co, N. Y.	192.00	204.00
National City Bank, N. Y.	29.00	30.00
Royal Bank of Canada	122.00	130.00

BRAZILIAN LOANS —

8%, 1921-41	19.25	19.00
7%, 1952 (Elec. R. R.)	14.75	15.25
6 1/2%, 1926-57	14.75	17.00
6 1/2%, 1927-57	15.50	17.00

STATES

Minas Geraes, 6 1/2%, 1958	10.00	10.00
Paraná, 7%, 1958	4.25	5.00
Rio Grande do Sul, 8%, 1921-46	9.12	9.12
Rio Grande do Sul, 8%, 1968	6.75	7.50
São Paulo, 8%, 1921-36	30.50	31.50

São Paulo, 8%, 1925-1950	11.00	11.00
São Paulo, 7%, 1926-56	10.50	10.00
São Paulo, 6%, 1928-68	9.00	9.00
São Paulo, 7%, 1930-40 (Coffee Loan)	59.87	59.37

MUNICIPAL

São Paulo, 8%, 1952	11.00	11.00
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MARKET, steady.

SAO PAULO STOCK MARKET

17th May, 1932

	Buyers	Sellers
Federal bonds:—		
Obligations «1921»	975\$000	—
State bonds:—		
Obligations «1921» bearer	765\$000	780\$000
» «1922» bearer	762\$000	770\$000
» «1922» nom.	760\$000	770\$000
Coffee obligations	500\$000	505\$000
Treasury Bonus 2 «B» 500\$ and 1:000\$	92\$500	—
» » 2 «B» 10:000\$	92\$000	92\$500
» » 3 «B» 100\$ to 1:000\$	92\$000	92\$500
» » 3 «B» 10:000\$	92\$000	—
» » 3 «A» 100\$ to 10:000\$	99\$000	—
» » 4 «A» 100\$ to 10:000\$	98\$000	—
» » 5 «A» 100\$ to 10:000\$	96\$000	—
» » 6 «A» 100\$ to 10:000\$	95\$750	—
» » 7 «A» 100\$ to 10:000\$	94\$750	—
» » 8 «A» 100\$ to 10:000\$	93\$500	94\$000
» » 9 «A» 100\$ to 10:000\$	92\$000	—
» » 10 «A» 100\$ to 10:000\$	91\$000	—
» » 11 «A» 100\$ to 10:000\$	90\$500	92\$000
» » 12 «A» 100\$ to 10:000\$	89\$000	—
Municipal bonds:—		
Capital «1913»	72\$000	—
» «1918»	88\$000	—
» «1926»	—	93\$000
Apolices «1929»	—	810\$000
» «1931»	780\$000	790\$000
Araraquara	—	94\$000
Mococa	—	94\$000
Amparo	84\$000	—
Ribeirão Preto	88\$000	—
Salto de Itú	60\$000	—
Araras 1. <sup>a</sup> e 2. <sup>a</sup>	80\$000	—
Campinas	75\$000	—
Cravinhos	60\$000	75\$000
Jahú	60\$000	—
Bank shares:—		
Comercio • Industria	304\$000	307\$000
Brazil	350\$000	—
Commercial, 60%	201\$000	—
» Integr.	286\$000	292\$000
Estado de São Paulo	150\$000	200\$000
Noroeste Integr.	—	130\$000
São Paulo Integr.	129\$000	130\$000
Café, 60%	35\$000	—
» Integr.	70\$000	—
Commercial Integr. (30 days)	288\$000	—
Companies:—		
Mogyana E. de Ferro	95\$000	100\$000
Paulista nom.	200\$000	202\$000
» bearer caut.	200\$000	205\$000
» port. caut.	200\$000	205\$000
» » def.	202\$000	205\$000
» Alumínio	310\$000	—
Puglise	20\$000	—
Comercio Exportação	110\$000	—
São Paulo Seguros	210\$000	—

Antarctica Paulista	210\$000	250\$000
Itaquê	10:000\$	—
Luz Força Santa Cruz	—	250\$000
Armazens Geraes	200\$000	220\$000
Melhoramentos São Paulo	—	90\$000
<b>Debentures:—</b>		
Campineira Tracção Luz Força	95\$000	—
Ag. Past. Barreiro Rio	700\$000	—
Antarctica Paulista	188\$000	195\$000
Melhoramentos São Paulo 1. <sup>a</sup> e 2. <sup>a</sup>	98\$000	—
S-A. «O Estado de São Paulo»	68\$000	73\$000

**RAILWAY NEWS.**

**THE LEOPOLDINA RAILWAY COMPANY**

Estimated weekly traffic receipts  
Receipts for week

<b>Year</b>	<b>Week ended</b>	<b>Currency</b>	<b>Exchange</b>	<b>Sterling</b>	<b>Total from 1st January</b>
1932	21st May	1.137:000\$	4.7/8d	£23,095	£504,125
1931	23rd May	1.312:000\$	3.3/8d	£18,450	£422,228
<b>Increase</b>			1.1/2d	£ 4,645	£ 81,897
<b>Decrease</b>		175:000\$			

**SÃO PAULO RAILWAY COMPANY**

**ESTIMATED WEEKLY TRAFFIC RECEIPTS**

<b>YEAR</b>	<b>WEEK ENDED</b>	<b>CURRENCY</b>	<b>EXCHANGE</b>	<b>STERLING</b>	<b>TOTAL TO DATE</b>
1931	May 10th.	1.815:013\$000	3d. 3/16	24.105-12-10	549,022-2-8
			51\$200 or		
1932	May 8th.	1.450:000\$000	4d. 11/16	28.320-6-3	641.337-9-0
<b>Increase</b>		—	1d. 1/2	4,214-13-5	92,315-6-1
<b>Decrease</b>		365:013\$000			

**COFFEE**

Rio de Janeiro, May 24th, 1932

Closing Quotations:—

SPOT:

— New York —

	Rio	Santos	Rio	Santos
	7s	4s	7s	4s 7s
May 24, 1932	12\$50	15\$500	8 1/2c	10 1/2c 8.3/4c
May 17, 1932	12\$700	15\$500	8.1/4c	10.1/4c 8.0/0c
Rise or fall.	0\$200	—	+1/4	+1/4c 0.3/4c

OPTIONS:

	— Rio-Contract A —			— Santos-Contract A —		
	May	June	July	May	June	July
May 24, 1932	—	—	—	15\$950	15\$700	15\$500
May 17, 1932	—	—	—	15\$950	15\$700	15\$500
Rise or fall.	—	—	—	—	—	—
	— Rio-Contract B —			— Santos-Contract B —		
	May	June	July	May	June	July
May 24, 1932	—	—	—	13\$500	13\$100	13\$000
May 17, 1932	—	—	—	13\$500	13\$100	13\$000
Rise or fall.	—	—	—	—	—	—

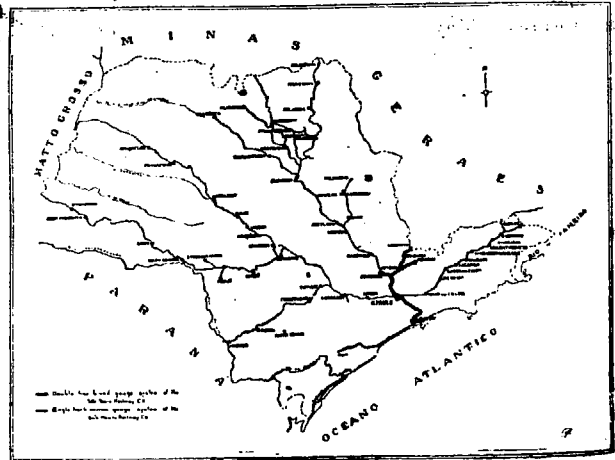
— New York —

	— Rio-Contract —			— Santos-Contract —		
	May	July	Sept.	May	July	Sept.
May 24, 1932	6.94c	6.88c	6.78c	9.70c	9.66c	9.44c
May 17, 1932	6.68c	6.73c	6.62c	9.51c	9.47c	9.28c
Rise or fall.	+0.26c	+0.15c	+0.16c	+0.19c	+0.19c	+0.16c

NOTE: Rio and Santos per 10 kilos; New York, cents per lb

Victoria Quotations, on 24th May, 1932:— Spot:— 7s and 8s, 12\$000 per 10 kilos, as against 12\$000 on May 2th, 1932. Stocks on same date amounted to 48,817 bags.

**The São Paulo Railway Company**



**THE GATEWAY TO SÃO PAULO**

London—111, Gresham House, Old Broad Street., E. C. 2

São Paulo — Estação da Luz

**Commissarios & Coffee Exporters**

Apply to

**Comptoirs  
Dufay & Gigandet**

Coffee importers

Marseilles — Le Havre

One of the oldest  
Direct suppliers to Mediterranean ports

Telegraphic Address: **Gigandet**

Marseilles or Le Havre

All usual codes

COFFEE PRICES CURRENT

Quotations during Week-ending 19th May, 1932

Coffee Service:—	13	14	16	17	18	19
Rio spot N. 7 . . . . .	128700	128700	128700	128700	128600	128500
Rio futures May . . . . .	Unq	Unq.	Unq.	Unq.	Unq.	Unq.
June . . . . .	»	»	»	»	»	»
July . . . . .	»	»	»	»	»	»
August . . . . .	»	»	»	»	»	»
Sales . . . . .	Nil	Nil	Nil	Nil	Nil	Nil
Santos spot N. 4 . . . . .	158500	158500	158500	158500	158500	158500
» futures May . . . . .	158950	158950	158950	158950	158950	158950
June . . . . .	158700	158700	158700	158700	158700	158700
July . . . . .	158500	158500	158500	158500	158500	158500
August . . . . .	158425	158425	158425	158425	158425	158425
Sales . . . . .	Nil	Nil	Nil	Nil	Nil	Nil
New York Rio spot N. 6 . . . . .	8 3/4	8 3/4	8 3/4	8 3/4	8 3/4	8 3/4
» » » » N. 7 . . . . .	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
» » Santos » N. 6 . . . . .	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
» » » » N. 7 . . . . .	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
» futures May . . . . .	6.60	6.66	6.65	6.68	6.70	6.74
July . . . . .	6.64	6.65	6.66	6.73	6.75	6.80
September . . . . .	6.54	6.55	6.58	6.62	6.65	6.67
December . . . . .	6.45	6.44	6.48	6.49	6.53	6.54
Sales . . . . .	5.000	5.000	5.000	5.000	5.000	5.000
Havre futures May . . . . .	252 1/2	253 1/2	Holiday		253	252 3/4
July . . . . .	247 3/4	248 1/4	»	249	248 3/4	249 1/2
September . . . . .	244 1/4	244 1/2	»	244 1/2	244 1/4	245
December . . . . .	240 1/4	239 1/2	»	241 1/2	241	242
Sales . . . . .	7.000	2.000	»	4.000	4.000	2.000
Hamburg futures May . . . . .	Unquoted	Holiday	»	Unquoted	Unquoted	29
July . . . . .	»	»	»	31	31	30
September . . . . .	30	»	»	32	32	32
December . . . . .	32	»	»	33	33	33
Sales . . . . .	Nil	»	»	Nil	Nil	1.000

COFFEE RECEIVED AND DESPATCHED AT THE RAILWAYS  
DESTINED FOR THE PORT OF SANTOS

During the 1931-1932 Crop to Close of March

In bags of 60 kilos

Railways:—	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Total
São Paulo	31,676	85,576	148,814	55,924	110,349	102,254	54,977	74,543	90,559	754,672
Sorocabana	204,807	378,307	424,117	257,688	297,334	564,624	212,935	276,395	316,753	2,933,010
Paulista	518,412	535,661	458,386	290,708	350,000	630,734	153,590	336,674	350,118	3,624,283
Mogyana	466,623	542,833	567,013	390,500	662,805	327,519	208,085	258,478	278,176	3,702,082
Araraquara	487,923	408,706	391,408	284,195	354,060	323,669	152,731	192,434	230,740	2,825,866
Dourado	144,150	126,179	123,135	56,849	91,973	75,665	23,649	45,192	38,540	725,332
S. Paulo-Goyaz	139,974	139,003	71,212	71,047	58,350	51,288	25,231	34,998	45,638	636,741
Noroeste	371,946	486,128	437,462	190,631	150,000	261,673	85,641	146,555	95,591	2,225,627
M. Mt. Alto	34,386	35,067	31,978	21,339	25,309	23,950	13,629	7,820	28,496	221,974
Itatibense	320	2,183	5,008	730	2,874	3,819	4,155	1,295	1,210	21,594
Campineira	2,130	3,799	3,345	3,135	4,061	4,399	2,196	2,949	1,637	27,651
S. Paulo-Minas	1,791	—	—	6,200	3,000	10,205	8,596	272	7,030	37,094
Central of Brazil	10,960	30,325	26,747	15,695	29,154	29,618	11,214	19,672	19,956	193,341
Morro Agudo	19,744	16,603	13,488	1,704	20,795	16,840	2,098	15,444	24,773	131,489
Barra Bonita	7,461	6,966	7,604	3,637	9,931	5,286	2,981	4,182	1,885	49,933
South Mineira	2,489	16,484	15,000	46,588	30,000	55,899	17,736	22,310	9,160	215,666
West of Minas	189	500	553	420	7,829	4,246	2,291	—	1,168	17,196
S. Paulo-Paraná (Paranaense Coffee)	—	—	1,000	7,350	13,976	14,832	19,465	4,247	—	60,870
Total	2,444,981	2,814,370	2,726,270	1,704,340	2,221,850	2,506,520	1,001,220	1,443,460	1,541,430	18,404,421

IMPORTANT NOTICE

«Wileman's Brazilian Review» circulates in 31 countries, in the two hemisphere and in 123 different cities, and towns, of which 31 in Brazil, 17 in the United States, 14 in the United Kingdom, 7 in Sweden, 6 in Finland, 4 in Germany, 4 in Italy, 4 in Norway, 4 in Japan, 3 in France, 3 in Holland, 3 in Switzerland, 2 in Denmark and Venezuela and 1 each in Uruguay, Guatemala and South Africa, 2 in Argentina, 2 in Belgium, 2 in Egypt, Chile, Perú, Salvador, Austria, Czechoslovakia, Latvia, Roumania, Australia, Java, India and Dutch East Indies.

**Companhia Nacional de  
Commercio de Café**

**Rio de Janeiro  
Rua da Quitanda, 143**

Cable Address: "AXECO"

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**COFFEE  
EXPORTERS**

Agents and Sub-Agents all  
over the world

**MANIFESTS OF COFFEE**

**COFFEE CLEARANCES FROM THE  
PORT OF VICTORIA**

March 2nd (delayed in post) and 11th  
to 22nd May, 1932  
(In bags of 60 kilos)

March 2nd «Valparaiso»:—	
Stockholm	
Oliveira Santos & Filhos	500
Gefle	
Oliveira Santos & Filhos	750
Vivacqua Irmãos, S-A.	125
Theodor Wille & Co	125
Ornskoldavik	
Oliveira Santos & Filhos	125
	1,625

May 11th «Alchiba»:—	
Rotterdam	
Oliveira Santos & Filhos	500
Amsterdam	
Theodor Wille & Co	250
Neufahrwasser	
Arbuckle & Co	63
Gdynia	
Arbuckle & Co	63
Constanza	
Armando Pinto & Co	250
Galatz	
Arbuckle & Co	62
	1,188

12 «Santa Fé»:—	
Hamburg	
Theodor Wille & Co	1,113
A. Prado & Co	125
Ornstein & Co	125
Copenhagen	
Arbuckle & Co	125
	1,488

13 «Bibboco»:—	
New Orleans	
Hard, Rand & Co	1,000
New Orleans, opt.	
Houston	
Hard, Rand & Co	1,875
	2,875

16 «Bonheur»:—	
New York	
Arbuckle & Co	3,000
Ornstein & Co	250
	3,250

16 «Santos»:—	
Montevideo	
Vivacqua Irmãos, S-A.	100

16 «Almirante Alexandrino»:—	
Bilbao	
Ornstein & Co	62
Havre	
Ornstein & Co	375
Armando Pinto & Co	250
Oliveira Santos & Filhos	125
Theodor Wille & Co	250

Hamburg	
Ornstein & Co	313
Vivacqua Irmãos, S-A.	473
Arbuckle & Co	125

Antwerp	
Ornstein & Co	250
Armando Pinto & Co	250
Dantzig	
Ornstein & Co	126

Rotterdam	
Armando Pinto & Co	250
Oliveira Santos & Filhos	125
	3,474

17 «Jaboatão»:—	
New Orleans	
Vivacqua Irmãos, S-A.	1,625
Oliveira Santos & Filhos	3,250

Armando Pinto & Co	2,000
Hard, Rand & Co	1,050
Arbuckle & Co	1,000
A. Prado & Co	1,000
Vianna Leal & Co	500
Houston, opt.	
New Orleans	
Vivacqua Irmãos, S-A.	4,875
Cia. Nac. Comercio de Café	2,000
New Orleans, opt.	
Houston	
Oliveira Santos & Filhos	500
	17,800

19 «Sartatia»:—	
Baltimore	
Hard, Rand & Co	2,000
Vianna Leal & Co	500
Norfolk	
Ornstein & Co	250
	2,750

22 «Uruguayo»:—	
New York	
Hard Rand & Co	2,125
Ornstein & Co	500
Baltimore	
Hard, Rand & Co	2,000
Arbuckle & Co	2,000
New York, opt. Baltimore	
Hard, Rand & Co	3,000
	9,625

22 «Camamú»:—	
New York	
Theodor Wille & Co	500
Vivacqua Irmãos, S-A.	1,500
Arbuckle & Co	1,000
Baltimore	
Theodor Wille & Co	3,750
Vivacqua Irmãos, S-A.	500
	7,250

**COTTON AND SUGAR QUOTATIONS**

<i>Cotton Service</i>		During the Week-ending 19th May, 1932						
		13	14	15	17	18	19	
Liverpool 12,30 P. M.			Holiday		4.70	4.63	4.63	
Pernambuco Maceió afir spot		4.63	»	»	4.60	4.53	4.53	
American Middling spot		4.55	»	»	4.30	4.27	4.27	
American futures July		4.23	»	»	4.34	4.26	4.23	
October		4.32	»	»	4.41	4.32	4.32	
January		4.38	»	»	4.47	4.30	4.33	
March		4.45	»	»	4.47	4.30	4.33	
New York American Mid. Uplands		6.23	6.22	6.42	6.23	6.30	6.33	
» American futures July		5.65	5.65	5.85	5.65	5.75	5.85	
October		5.60	5.59	5.80	5.60	5.69	5.73	
January		5.85	5.84	6.04	5.86	5.94	5.97	
March		6.07	6.06	6.27	6.08	6.16	6.19	
<i>Sugar Service</i>								
New York futures July		0.60	0.60	0.60	0.62	0.61	0.61	
September		0.67	0.67	0.66	0.68	0.68	0.68	
December		0.74	0.74	0.74	0.75	0.76	0.75	
March		0.80	0.80	0.80	0.81	0.81	0.80	
London futures May		4/4 1/2	Holiday		4/4 1/2	4/4 1/2	4/4 1/2	
July		4/7	»	»	4/7	4/7	4/7	
August		4/8 3/4	»	»	4/9	4/8 3/4	4/8	
October		4/10 1/2	»	»	4/10 1/4	4/10 1/2	4 9 1/4	