

Wileman's

BRAZILIAN REVIEW

A Weekly Journal of Trade, Finance Economics and Shipping.

RIO DE JANEIRO
Rua Theophilo Ottoni, 41

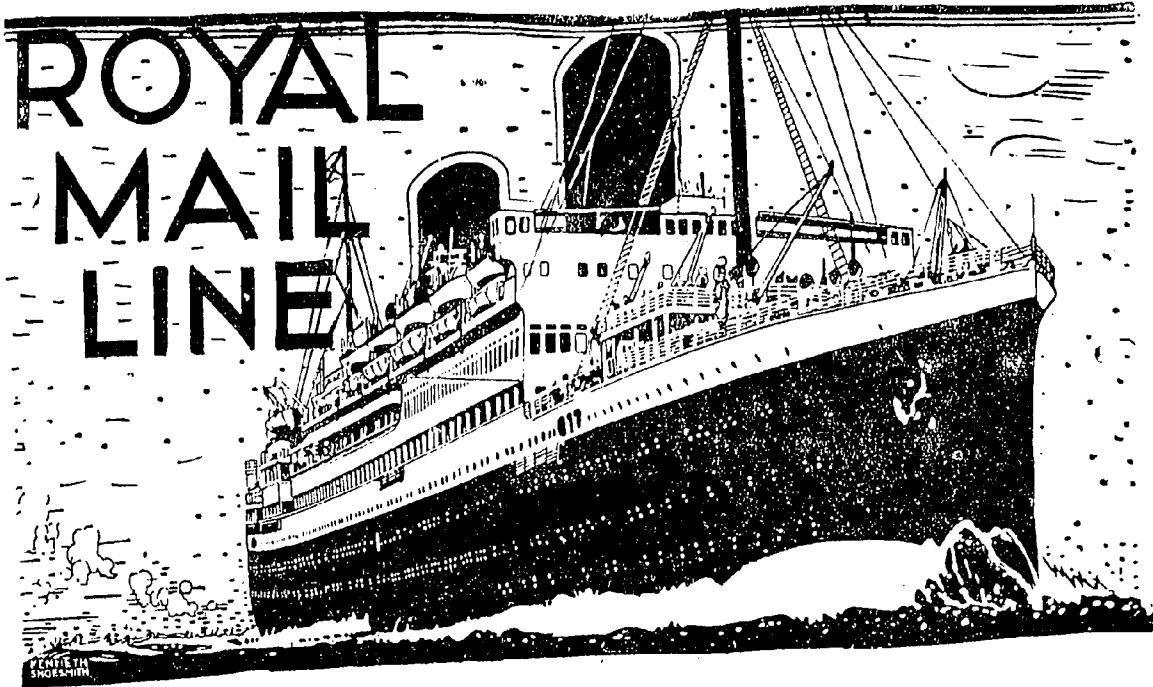
ESTABLISHED 1898

(CAIXA POSTAL)
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VOL. 29

RIO DE JANEIRO, 13th. July, 1936

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Wileman's Brazilian Review

A WEEKLY JOURNAL OF TRADE, FINANCE, ECONOMICS AND SHIPPING

VOL. 29

RIO DE JANEIRO, 13th. JULY, 1936

No. 2

MARITIME FREIGHTS

The question of maritime freights has been the centre of debate almost since the beginning of time, and will probably continue to be amongst the most discussed topics of the day well into eternity — witness the crossing of the Styx in Roman days, and earlier still, the gifts buried with the ancient Egyptians to appease the immortal Gods of death! It may be said, however, that the matter did not assume momentous importance in Brazil until the institution of the Homeward Freight Conference. This is not a chronicle of the vicissitudes of the Lines operating cargo services to Brazilian waters, but in view of the considerable interest attached to the intricate workings of the Conference, particularly during the last year or two, and the incredible lack of authentic knowledge displayed by the majority of anti-Conference writers and their contestants, a few passing comments on the general situation is not of place.

Towards the end of October last year, a project of law was approved by the Federal Council of Overseas Trade, controlling the activities of shipping concerns operating to Brazilian ports; the project duly passed the Chamber of Deputies, without any considerable amount of delay or debate, and eventually reached the hands of the Federal Senate, where the final approval or rejection of the Decree will be decided shortly — possibly within the next few days.

Speaking before the Committee of Communications and Public Works of this executive body recently, Dr. Ribeiro Gonçalves, Senator for the State of Piahy, read a long paper on the question of maritime freights, which terminated in a number of suggested amendments to the original form of law approved by the Federal Council of Overseas Trade and the Chamber of Deputies. Taken at its face value, the report of Dr. Gonçalves is the work of a master, though if a slightly different aspect of the matter in taken, the facts are inclined to confound themselves, and, with all due respect to the Senatorial rank, some of the speaker's assertions call for sharp contestation.

After a short preamble, the speaker displayed at the outset a disposition to attack the shipping Companies more for the fact that they are foreign in the majority, than for the fact that he did not consider it their right to raise a barrier of protection by monopoly. Dr. Gonçalves proceeded to expound on the manner in which foreigners who had been received as it were with open arms had slowly but surely taken the reins of financial control into their own hands by a process of peaceful capital penetration, gradually securing a stranglehold on the country. The original mistake was made by the politicians whose policy it was to develop the natural wealth of the country at any cost, irrespective of future complications that might, and have, come to pass.

For the benefit of those of our readers who really

are convinced that Brazil today is rabidly anti-foreign, we take the liberty of explaining that, following the example of most of the leading commercial nations of the world the Brazilian Government has recently — almost too late — awakened to the fact that foreign immigration is a very live danger to the interests of anyway the lower class workers of the country. Hospitality has been carried too far, and national interests were suffering. If Great Britain is not condemned for the stupendous "Buy British" campaign, shall Brazil be attacked for being mildly pro-Brazilian? The leaders of the country have expressed genuine sorrow at the misreading of their patriotic attempts to protect home interests; they have been attacked on all sides for their so-called anti-foreign phobia, and their reaction of the Latin temperament to a little unexpected protection from "the Gods" — an inclination to carry the patriotic ideals of their leaders too far. The Brazilian Government has never countenanced the utterly ungoverned principles of a certain political party whose principles are, broadly speaking, based on the motto "Brazil for the Brazilians", but even the most hospitable houses are compelled to close their doors when filled to capacity. So with Brazil — but do not let us forget that foreigners are guests, visitors to this country, and guests, no matter how honoured, have obligations at least on a par with those of the host.

Dr. Gonçalves' theories were based on the fact that, due to the foreign control of production and export, Brazil finds herself today in the most unenviable state of having practically no national import or export trade, as trade which is controlled by foreign capital, and imported or exported by foreign concerns on foreign transport units cannot by any stretch of imagination be termed national. This condition of economics causes the country a double loss, in that, of the actual cost of an imported article a bare fraction of profit is returned to a Brazilian who may be third or fourth in the line of middlemen; further, the profit on exports is even more radically reduced, as perhaps only the very lowest labour is benefitted. A famous lecturer, speaking on this profit percentage question at the Chamber of Commerce and Industry in November last year, showed by elaborate statistics that very little more than 30% of the actual cost price of almost any Brazilian article abroad is actually returned to the producer; consequently, Brazil only receives about one quarter of the actual value of her export trade.

This same lecturer passed on to say that one of the reasons why the Brazilian export trade is not considerably larger is due to the fact that foreign markets are not attained, except in a very few rare cases, by genuine Brazilian initiative, and, consequently, full selling pressure is not exerted. For the sake of clarity, it is as

Wileman's Brazilian Review

Established 1898

OFFICES: R. THEOPHILO OTTONI, 41, 3.º ANDAR
RIO DE JANEIRO

Telephone: 23-1354 - Caixa do Correio (P. O. Box) 809
Tel. Address: "REVIEW", Riojaneiro.

Redactor Responsavel: V. S. Coelho.

Redactor Commercial: Oscar Loup.

Redac. e Administração: R. Theophilo Ottoni, 41-3.º

Subscriptions (Payable in Advance): —
Brazil, 100\$000 per annum. Abroad £3 per annum.
Separate copies 2\$000. Back Number 2\$500 per copy.

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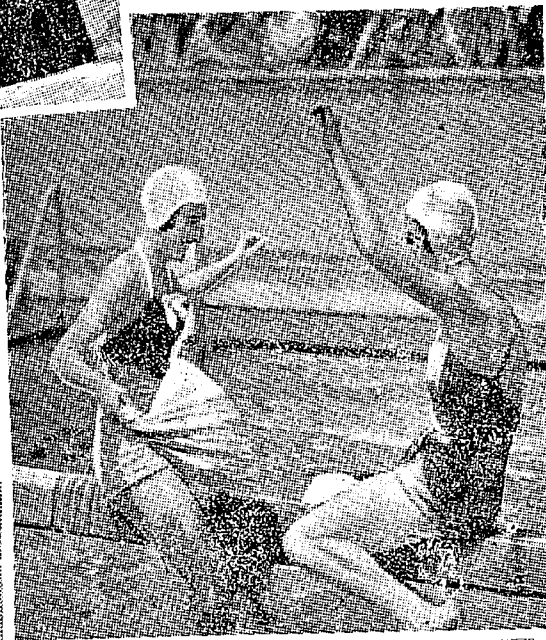


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well to remember again that this anti-foreign bias is not demonstrative of Brazilian political economy in any degree, but rather a mistaken nationalistic patriotism carried beyond the bounds of sound reasoning. The fantastic idea that any foreign concern sufficiently attracted to Brazil to invest even a small sum on a venture should not push the particular line of business dealt in to the utmost of its ability, is utterly untenable. When it is remembered that American capital, for example, directly invested in this country represents well over fifty million dollars it seems rather extraordinary to declare point blank that the foreigners operating in the country are not pressing their advantages to the full.

Following on the above generalities, Dr. Gonçalves launched out on a determined attack on the policies of the shipping companies composing the Homeward Freight Conference. Here again it will be seen that many of the speakers arguments are basically sound, from his own point of view, though under the present economic and financial conditions ruling in Brazil these points could not by any means successfully applied.

Dr. Gonçalves declared that the transportation of Brazil's exportable products are largely "subordinated to the ambitious play of foreign concerns, who do not limit themselves to the collection of a reasonable remuneration to conciliate their interests and our own. . . . No one denies the right of the shipping Lines to unite in the Freight Conference, for purposes of standardising freights and the protection of mutual interests in the competitive struggle which they are obliged to maintain against others who seek markets on the same seas, . . . but it is inconceivable that this warfare, instead of favouring shippers, should prove an added burden. It is preposterous that of the countries to which regular services are operated, only one should be selected to guarantee exceptional advantages and the monopoly of transportation by the imposition of terms beyond reason."

Without going into the matter too deeply, a few rapid comparisons of the freights charged on exports from Brazil and other South American countries to Europe will serve to demonstrate how utterly "beyond reason" are the "terms" of the Lines — but not quite as Senator Gonçalves would have it.

Let us take Coffee — Brazil's greatest export. From Brazil to Europe, coffee is charged 60 shillings per ton; from Colombia and Venezuela the freight is 80 shillings; from Pacific ports in these countries, and Costa Rica, the rate is 100 shillings. With a certain amount of imagination and self-deceit we may be able to persuade ourselves — as anti-Conference agitators have — that the Brazilian rates are equal to the others; BUT, beyond this point no deception is possible, if we are to pride ourselves on being in full possession of our sane senses. If we have by some elaborate mental contortion, succeeded in accepting as reasonable the fact that there can possibly be a difference in working expenses of a shipping Line operating to, say, Nicaragua, (Atlantic Coast) of as much as practically half again of the Brazilian freight, we are faced with another barrier which is quite unsurmountable, — even by the most practised imaginary. The rate of 60 shillings from Brazil includes free warehousing of the coffee for twenty-eight days, at the port of destination designated by the shipper on the bill of lading; during this period, option may be declared by the receiver for any major port served by the Lines, delivery being promptly effected without any extra charge whatsoever. In the face of this concession, it is not necessary to comment further on the "terms beyond reason" — but let us investigate a little further.

Once or twice lately articles and protests have appeared in the more influential local morning papers, regarding the disparity in freights from the River Plate and Brazil to Europe; eventually the matter attracted official attention, discussions being reported from the Federal Council of Overseas Trade, though no action has been taken.

A glance at the following facts is instructive; the figures speak for themselves.

Articles	River Plate Freight	Rio/Hamburg Freight
Cotton	65/-	50/-
Dry Hides		
Passenger Vessel	66/-	45/- (800 ks).
Cargo Vessel	57/-	—
Bran	30/-	25/-
Salted Hides	51/-	47/6
Cakes. (Cotton-seed, etc.)	27/-	25/-

(Brazilian Hides are exported to Germany exclusively on passenger vessels, at the special request of shippers).

All rates are per ton, unless otherwise stated.

Leaving on one side the obvious conclusions to be drawn from the above table, it must be remembered that conditions in Brazil are far removed from those in the Argentine in the matter of cargo lifted. Apart from frozen meat perhaps the greatest freight market in the River Plate is for chartered tonnage to carry Grain in bulk — one origin, one destination, one cargo, no intermediate ports of call. Contrast this with the average cargo vessel which starts a voyage at some South Brazilian port, calls at five or six others on the coast, and eventually discharges in Europe to three or four more, having loaded a mixed cargo which has taxed the ingenuity of every stevedore foreman involved, and probably entailed considerable shifting of cargo as well — a most expensive and unremunerative operation. Then again, the expenses at each port of call must not be overlooked, nor the time lost; furthermore, how many Agents have not worried themselves grey with anxiety when a ship has been obliged to sail with empty spaces to keep schedule, and not fail the exporters who have contracted delivery of their cargoes for a definite date? However, this is perhaps beside the main point; no shipping concern has failed to take these contingencies into consideration. Let us revert to Senator Gonçalves' report:

"The navigation Companies which have maintained the traditional Lines between Europe and Brazil collaborate in the Homeward Freight Conference, with Headquarters in London, conforming to a plan of action calculated to ensure the monopoly of transportation for Brazilian products to European ports. The Companies did not, however, formulate any direct policies to be enforced against other Lines whose competition they perhaps fear; had they done so, they would have run the immediate risk of being obliged to reduce their rates, which would not be to their interest.

"Together with the freight, a certain additional charge is made — generally about ten per cent of the value — which amount is placed on deposit, and returned to the shipper, if, on the expiration of a relatively long period, the entire shipments of the shipper concerned have been made exclusively on Conference vessels. Otherwise the deposits revert to the Conference, in accordance with the clauses of the contract. The Homeward Freight Con-

ference thus protects itself against eventualities, keeping the field clear of competitors, and obliging shippers, in order not to suffer the loss of the large sums of money represented by accumulated rebates, to refuse transportation facilities at a much lower rate on non-Conference vessels. ... National economy is consequently prejudiced by the power which the combine thus obtains, to raise freights at any time they may consider fit".

Confusion as to the difference between a surcharge and a rebate is apparently the cause of this animosity; it is extraordinary that the matter has not been more deeply studied. Let us consider the case of an entirely new shipper who wishes to ship a cargo on a Conference vessel. He is quoted exactly the same rate as any other shipper, and receives the same consideration; he is not charged any extra sum to be held against him for making his next shipment on an "outsider". This case is on a par with the bonuses granted by public utility Companies in many countries of the world to operators who economise the Companies' power consumption; employees who fail to classify for a bonus are not fined — they merely do not receive a bonus; nothing is more logical, surely. Another point which is generally overlooked is the case of the old-time shipper who has never shipped on anything but Conference vessels, and who, despite mature friendship with the lines, cannot be granted any special concessions whatsoever — a most delicate position for the Lines, but quite inevitable under the conditions ruling. There is nothing prejudicially binding in the Conference contracts: provided a regular shipper, with a clean record, can prove that there is absolutely no space available for his cargo on the date he is obliged to ship, the Lines will, after due investigation and a maximum of 48 hours delay, either make arrangements for the acceptance of the cargo, perhaps at considerable loss, or serve a dispensation.

"With the breakdown of the gold standard, first in England, and afterwards in the United States, the Home-ward Freight Conference, in order to avoid eventual decreases of revenue, immediately raised the tariffs; by an unbelievable percentage. Notwithstanding the breakdown of the gold standard, freights for Europe continued to be collected in gold... Freight on coffee to Europe jumped to double that charged for the United States. Cocoa freights to European countries increased from 10\$000 to 21\$000 per bag, whilst the freights on the same commodity to U. S. ports dropped from 9\$000 to 4\$500 per bag. The readjustment of prices also protected the Gold Coast product on European markets against Brazilian competition..."

A slight divergence from the actual facts has been made here, though the mistake is admissible. When England went off the gold standard, an entire readjustment of freights was necessary, and it would have been utterly impossible to reorganise the tariffs on a fluctuating currency; consequently the freights were based on American Dollars, which were firm at the time, though this did not last long. Eventually, of course, the break had to come, and the complete readjustment made. The protection of Gold Coast cocoa is rather peculiar. There is no apparent reason why the Conference Lines should wish to create an increased demand for Gold Coast cocoa, by increasing the cost of the Brazilian product, as they themselves would suffer losses on a declining market from Brazil due to smaller shipments.

"In order to avoid pressure on the part of the Conference Lines, as regards return cargoes, the Lloyd Brasileiro participated in the combine, but in vain. The European importer, who dictates to his agents in Brazil... the Line which should transport his shipments, arrogates

to himself the right to act in an identical manner when he exports articles to our markets, which is the cause of so many of the Lloyd Brasileiro vessels returning in ballast." Dr. Gonçalves proceeded to give an example of the unfair competition suffered by this old established national Line, choosing as his subject a most indefensible theme. The Lloyd Brasileiro rate for cotton to Continental Ports was reduced to 40/- per ton, while the foreign Lines were collecting 55/- for freight to Liverpool; the Lloyd did not operate a service to this port, and on a Line being projected with freight at 40/- the Conference immediately dropped their rate to this figure. When the project fell through, however, the Conference rate was immediately raised again to the previous figure.

In this connection nothing definite can be said. It is, however, an incontestable fact that the Lloyd Brasileiro has for many years worked in amicable collaboration with the Lines, though not signatory to the Conference, the Lloyd being virtually a Government concern. Further, the return freights from Europe to Brazil on the Lloyd Brasileiro vessels is lower than the Conference rates which is countenanced by a special agreement; it seems reasonable to suppose that if the Lloyd had wished to operate to England no obstacle would have been raised, particularly as an extra one or two sailings monthly from Santos would not materially have affected the carryings of the Lines.

Another rather unfortunate theory of Dr. Gonçalves was: that the enforcement of Decree 23,653 of September 27th, 1933, which provided that percentages representing rebates, bonus, commission etc., with the exception of the rebates duly agreed upon relating to shipments effected, would be prohibited on exports of coffee, left other exports entirely without protection. Decree 22,845 of June 21, 1933, which was ruled ineffective by the September Decree, had prohibited all rebates on all exports. The inference is obvious. The first Decree had, after a mere three months, been found utterly impracticable, and was consequently revoked, and replaced by a prohibition on coffee only; in this the Lines were expected, and did, meet the regulation half-way, fully realising that it was the duty of the Conference to render all assistance possible to the Government in protecting coffee exports. The fact that the Departamento Nacional do Café actually approved of the Conference contracts is a proof not of the political incompetence of the Department, as Dr. Gonçalves hinted, but rather of complete confidence and respect for the Lines. Further, in condemning the September Decree, the Senate would be acting unconstitutionally, unless a special Presidential veto were passed previously, which was not the case; naturally, this point was not brought forward.

A few quotations from the Confidential Booklet of the Conference, and a copy of a letter to the Exporters' Associations of Rio de Janeiro and Victoria were illuminating, though here again Dr. Gonçalves detracted from the potential value of his words by an attack on the Departamento Nacional do Café for authorisation to include clause: in contracts which exclude to all intents and purposes, any possibility of competing Lines lifting cargo from free Brazilian ports.

In contestation of this attack, there is only one thing to be said: Brazil, through the Commercial Services of the Foreign Office, is completely reorganising her foreign trade agreements, the main policy of all new agreements being purely and simply reciprocity in one form or another. It is reasonable to expect the same treatment in dealing with the present question. The Conference Lines, maintaining as they do, regular and reliable maritime connections with Europe, guarantee service to Brazilian ex-

porters who know they can calculate with accuracy that their shipments will reach their destinations, and be on foreign markets on a definite date; is it compatible with common sense to suppose that any sound-minded Company will guarantee such service — involving millions of pounds capital investment, the employment of thousands of men, the responsibility of operating at tremendous losses, — merely on the chance of securing cargoes at whatever price shippers may be willing to pay? The idea is preposterous — even the speaker admitted the right of the Lines to combine in the Conference, but promptly proceeded to rescind this. The only possible basis of operation is the mutual reciprocity of Lines and shippers; it has already been shown that freights are not high, and statistics prove beyond any question or doubt that the costs to the Lines have increased out of all proportion to the freights charged. Shippers — it is not remarkable that this only applies to the slacker concerns — have been heard to complain that in order to abide by their contracts they have been obliged to ship on Conference vessels goods which have subsequently arrived at destinations after the delivery date agreed upon. In this connection it will be plain that the shipper is at fault, except in perhaps one or two particularly last minute cases, as it is indeed a poor exporter who will allow his shipments to wait until the latest possible, when he may be refused space on a full vessel. Furthermore, the actual cases when this has occurred are very few and far between, as the vessels operated by the joint Conference Lines do not run spasmodically, but at more or less regular intervals, and it is seldom that a vessel sails absolutely with all spaces filled — whenever there is the slightest possibility of this, extra vessels are put on the run, sometimes at extremely inconvenient times for the Companies.

Before passing to the actual project of law and the amendments presented to the Senate by Dr. Ribeiro Gonçalves, a few comments on the advantages of a regular, well organised service maintained by Lines collaborating in a Conference are not ill placed; it will not be necessary to contrast the existing conditions with an imaginary at the havoc of a mass of competing Lines choking the ports with vessels for which there is no demand, which have no fixed sailing schedules, with a diversity of freights and conditions; which would render the reliable flow of exports from Brazil a thing of the past, and eventually devastate the country's hopes of attaining any degree of commercial prestige.

The Homeward Freight Conference operates a service, or rather a combination of services, the workings of which are minutely calculated to afford the greatest measure of competence and adaptability. The ports served, directly and indirectly, by the Lines and affiliated Companies are legion; the connections of the Conference afford on-carriage from the terminal ports at exceptionally low rates, and with a minimum of delay and trouble to shippers or receivers. The greatest advantage to be considered is probably the stability of the services. Sailings are guaranteed at regular intervals; freights are stable; the element of uncertainty is reduced to a minimum; forward contracts may be closed by shippers who may rest assured that the Companies will not fail them. Do not let us be sceptic about these advantages — let us consider for a moment how these conditions have been built up: not by the passing flash of brilliance with which a shipping concern may suddenly appear from the hands of Company promoters, but by the experience of a group of world-famed Lines, which have been operating on the most important trade routes, in many cases for over a hundred years.

As far back as 1909, a Royal Commission of the British Government reported most favourably on co-operative policies as applied to shipping, and an ex-Director of the Lloyd Brasileiro, in a clever letter to one of the local morning papers, quoted extracts from this report, to the detriment of anti-Conference agitators. Again, in 1923, a report of the Imperial Shipping Committee on the Deferred Rebate System was read in the British Parliament, and has been quoted time and time again all over the world; it will not be out of place to remind our selves of this report once again:

"It now appears to be a universal condition of the larger industries in all progressive countries that there should be a high degree of organisation among the chief companies, firms, or other units, and this condition is especially marked in industries which have to deal with transport. The necessity for such organisation obtains clearly in Liner services. They have to provide for the distribution all over the world of heterogeneous classes of goods, the circulation of which to an ever increasing extent constitutes an essential part of the world's economy. The requirements for this part of commerce are in marked contrast to those of bulk cargoes in general, where large quantities of the same kinds of goods have to be carried at irregular intervals. The ships which cater for this trade are in the main separate units, but the Liner service requires fleets of ships operating in unison and consequently large capital resources and a perfectly perfected central administration.

"It is clear that competition between individual liners or Lines in the same trade would be quite incompatible with stability of rates and that the trade would, in fact, tend to return to the disturbed conditions which prevailed before the introduction of the Conference system, or to those characteristic of the tramp market. The shippers might for a time secure the benefit of low-cut rates, but there would inevitably be a strong tendency to abandon regularity in sailings and there would be no guarantee, such as obtains at present, of any general progress in the type of vessel plying, and the nature of the facilities afforded. We consider, therefore, that the Conference system must be accepted as a necessary concomitant of modern commerce".

A summary of the amendments proposed to the original project is published below; for the sake of facility, the projected Decree is also given in full, with the amendments duly inserted.

1) Provides precautions to ensure that, if monopolies are created, national interests will be duly protected. The word "individually" is inserted, altering the sense of Article 1 to provide that Companies individually may celebrate contracts with shippers.

2) The object of the Decree is to avoid the collection of rebates; Para. a) of Article 2 of the original project is withdrawn.

3) Provides that the Minister of Finance shall judge cases of denunciation, at the instigation of shippers through the Federal Council of Overseas Trade.

This amendment is made in consideration of the faculty of the Council as a consultive organ, not being executive.

4) An amendment in favour of the Lines, provides that guarantees and penalties shall be reciprocal, the original reading providing penalties only for the Lines. Article 3.

5) The words "or otherwise" are added to Article 5, to protect the interests of national Companies in whatever services may be operated.



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6) A minor alteration in the reading of Article 6, the original providing that each deposit be retained not more than ninety days.

7) Elimination of Paragraphs a, c, f, & g, of Article 9, of the original project to conform with the amended reading, and the addition of a clause for purposes of consistency.

8) Insertion of a Paragraph regarding duration of contracts, under Article 9.

9) An amendment of consistency, entailed by the amendment to Article 2.

10) An amendment affording definite character to the transitory provisions of the Article. The original form was considered too indefinite. Article 15.

11) Provides that maximum tariff rates shall be fixed. Article 15.

12) Leaves the imposition of the maximum penalty to the judgment of the administrative authorities. Article 16, b).

13) Suppresses the original provision of alternative payment of guarantee deposits into the Savings' Bank or the Bank of Brazil, enforcing only the latter. Further, inserts a clause to conform with the shipment basis contracts. Article 17.

14) Facilitates the liquidation of outstanding rebates by fixing a definite date for payment. The original Decree spread payment over an indefinite period. Article 19.

15) Provides that the export licences shall only be issued when it is proved that space is guaranteed, and the tariff rates complied with. The original form decreed only the first provision. Article 21.

16) Inserts a new Article providing for the inspection of refrigerated space and other special installations. The amended Decree would be as follows:

Art. 1 Shipping Companies maintaining regular services between Brazilian and foreign ports shall be permit-

ted to enter individually into contracts conceding special advantages to exporters giving preference to their vessels subject to the observance of the stipulations of this Law.

Para. 1 The term "regular services" shall be understood to apply to such Shipping Companies as operate permanent freighting lines, serving predetermined ports with a fixed number of voyages previously announced, over a minimum period of one year.

Parag. 2. In proof of the dispositions of Parag. 1. above interested parties should obtain recognizance of the term "regular services" (as applied to their interests), from the competent Brazilian authorities.

Art. 2. The special advantages referred to in Art. 1. above, may take the following forms:

- a) Reduced freight concessions
- b) Preference concessions on shipment.

Sole Para. If being proved that any Shipping Company signatory to a contract is conceding freight, other than those established, at ports of shipment or discharge, or gratifications or reductions beneficial to exporters or importers the said contract may be denounced to the Federal Council of Overseas Trade, which, having delivered a ruling on the matter, shall submit same to the final judgment of the Minister of Finance, who shall have power to suspend the execution of same.

Art. 3. Both navigation Companies and exporters, pursuant to Article 17 of the present Decree, shall pledge the contract as a reciprocal guarantee:

- a) of shipping space.
- b) of cargo for shipment.

Sole Para. This pledge will revert to the exporter in case of lack of shipping space, and to the navigation Company, if it be verified that there is no cargo for shipment.

Art. 4 Further to the benefits of the reversion stipulated in Art. 9 above, exporters who have been unable to obtain space as contracted shall be permitted to ship on

vessels of Companies other than the contractors.

Art. 5 It shall be prohibited to stipulate that the concession of any special advantage to exporters shall depend on:

a) non-shipment on Brazilian vessels operating on regular lines or otherwise.

b) the observance of any condition not foreseen by this Law.

Sole Para. For the effects of Clause a) above, such foreign vessels as are chartered by national Companies, and operated by these on regular international transport routes, shall be classed as Brazilian vessels.

Art. 6 For the effects of this Law, such vessels as are operated by their owners on special voyages for the transport of excess cargo on regular routes, shall be classed as vessels operated on regular services.

Art. 7. Contracts shall ensure equality of treatment to all exporters signatory thereto.

Art. 8 The guarantee deposits accumulated during each quarter of the year, shall be compulsorily returned by the end of the following quarter.

Art. 9 In the text of the Contracts, which, with subsequent amendments (if any), shall be published in the "Diario Official" of the Union or of the States, the following Clauses shall be included:

a) relating to the merchandise to be transported, and in accordance with the tariffs in force, as stipulated in Art. 15. below.

b) The advantages offered to exporters who give preference of shipment to vessels of contracting Companies.

c) The penalties applicable to infractors it being prohibited to impose same on only one party to the Contract.

Sole Para. The contract may be drawn up for a fixed period, or on a shipment basis.

Art. 10. Penalties shall not be imposed for first infractions of Contracts which together exceed:

a) The loss of the deposits of guarantee.

b) The loss of any other advantages contracted for a period of more than ninety days.

Sole Para. In cases of repetition it shall be permissible to double the penalty imposed by Clause a) above.

Art. 11 It shall be permitted to annul a Contract at any time by notice of ninety days, and notification of both parties and publication in the official organs.

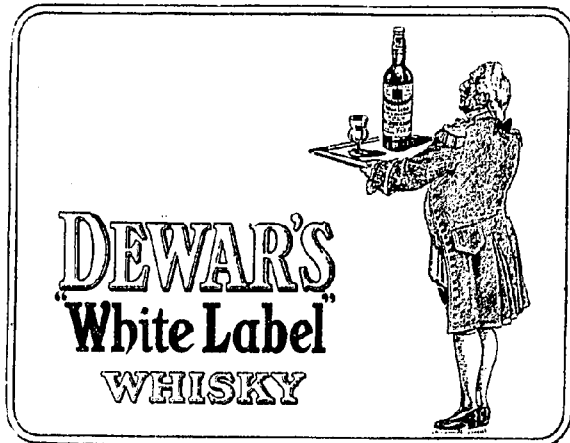
Art. 12. All stipulations made in disaccord with this Law shall be annulled together with those contrary to the objects and finalities hereof.

Art. 13. Apart from the judicial procedure always open to the Public, any party prejudiced or affected by the execution of this Law shall be empowered to take action in the civil or criminal Court against transgressors, administratively or judicially, under common law or under this law, in order to ensure its execution.

Art. 14. Until such time as a special official organ for the fiscalisation and execution of this Law is instituted, these responsibilities shall be committed to Customs Inspectors, and in cases where there are none, to the administrators of Receipts of Custom, in accordance with instructions emitted by the Federal Council of Overseas Trade, and directed for execution by the Ministry of Finance.

Sole Para. Voluntary appeal will be permitted on decisions of the Customs Inspectors, by means of a simple petition within 30 days after information of the respective decision, which shall be addressed to the Minister of Finance, who shall judge the matter, having previously heard the ruling of the Federal Council of Overseas Trade.

Art. 15. The only contracts to have legal force shall be those which stipulate freights figuring in the tariffs approved by the Federal Council of Overseas Trade and the



opinions of the parties interested shall be heard before any alterations are made in said tariffs.

Sole Para. The freight tariffs shall contain provisions for maximum tariff rates.

Art. 16 In order to ensure the execution of this Law, the following penalties are established to be levied on infractors of any its provisions:

a) fine of from Rs. 1:000\$000 to Rs. 50:000\$000 for violation of the Law.

b) in case of repetition, further to the application of a maximum fine the transporting Company may be restrained from embarking or transporting cargo from Brazilian ports.

Art. 17. All deposits of guarantee, irrespective of title shall be effected, at the Banco do Brasil or its Branches, within a period of fifteen days from the signature of the contract, for each shipment; when the contract in question is on a shipment basis, the deposit may be effected at the very latest, up to the date of request of the respective export licence.

Art. 18. All the dispositions of common law shall be admissible for the effects on this Law.

Art. 19. Contract or agreements already in force, contrary to any of the dispositions of this Law shall become null and void, the right to refund of rebates within a period of ninety days from the date of enforcement of this present Decree, being ensured to exporters.

Sole Para. The above disposition also covers rebates retained independent of contracts or agreements.

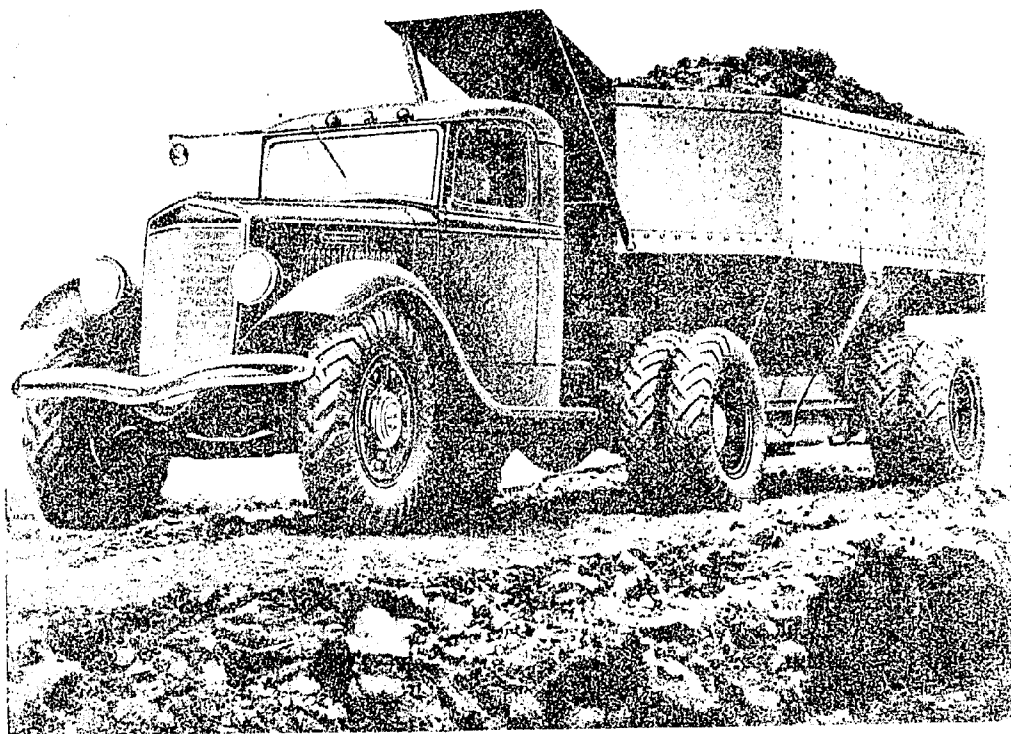
Art. 20. Decrees Nos. 22,345 and 23,653 of the 21st. June and 27th. December 1933 respectively shall be revoked.

Art. 21. Export licences shall only be issued in cases where it is proved that the respective transport is guaranteed, by contract or without same, the freight tariff to which Art. 15. refers having been duly complied with.

Art. 22. Vessels furnished with cold storage space and other special installations for the transport of perishable products shall be submitted to the approval of the Government, to prove the existence of technical conditions of primary necessity to the transportation of such commodities.

Art. 23 This Law shall come into force on the date of publication, dispositions to the contrary being revoked.

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COMPENSATION AGREEMENT WITH GERMANY

This article originally appeared in "O OBSERVADOR ECONOMICO E FINANCEIRO," from which publication

it has been translated and reprinted.

The question of exports in compensated marks did not create the interest in the local Press which the case would otherwise doubtless have merited, were it not for the complex factors of an economic and financial order featured, and which therefore, under the ease most difficult to understand by the majority of the reading public. The same did not occur in São Paulo, where the press gave ample publicity to the matter, looking at the subject not only from a technical or economic standpoint, but almost invariably from the political or social aspects, which points of view are absolutely untenable, not only because no consideration of a political order should, with propriety, interfere in the deciding of so important an economic problem, as really happened, but also because there is evidently no social angle from which one could picture an imaginary struggle between the agricultural and industrial classes, the first being interested in the lowering of the prices of cotton intended for the commodious and profitable feeding of their spinning machines, while the second class is struggling for its economic independence through a compensating outlet for the product of its labours.

Considered economically, however, the case assumes a different and very grave aspect. For the matter in hand is not merely that of the exportation of cotton to this or that country whose currency is blockaded, — for what interests national economy is not especially cotton, and what affects our foreign trade is not particularly the destination of the merchandise, — but the commercial principal on which the system is based. In other words, it is not the cotton, nor Germany which represents the economic drama which we are watching with consternation; but a product that unfortunately constitutes one of the main props of our national wealth, exported to a friendly country which, owing to very peculiar circumstances, has laid down to us the terms of its transactions; and a mercantile régime contrary to the immediate interests of national finances.

Faced by this fact of a purely economic nature, political circles would be prudent to withdraw as far as possible from the question, and the Government would be following a very good policy if it considered the matter, not as an isolated case but as an integral part of our productive machine, which is not operating properly just now owing to one of the most delicate parts having suffered a breakdown.

What has actually occurred is that the question has been studied from an aspect which is too immediate, without any preoccupation of a superior order, and, above all, without any safe policy of a truly economic nature. Consequently, it is the purpose of this article to contest the principal arguments presented by the apologists of the régime of compensations, without mentioning the names of the authors or newspapers concerned, in order to make this opportune and interesting debate entirely non-personal, as it cannot and should not take on an individual character.

A NEWSPAPERMAN — "In 1935 Brazilian exports to Germany attained the value of £5,451,107, being an increase of £825,150 over the year 1934. The total exports of Brazil, on the contrary, dropped from £35,239,611 in 1934, to

£33,011,848 in 1935, i. e., 2.2 millions of pounds sterling. We thus note, in 1934, just as in 1935, the same phenomenon: that the value in pounds of the total exports of Brazil, in confrontation with the previous year, shows a reduction, it is true, but showing, notwithstanding this fact, a noteworthy increase in the exports to Germany. No one can deny that this auspicious result of the Brazilian export policy was only practicable under the régime of compensation between the two friendly countries, and the trade balance of Brazil in 1934 and 1935, would have shown a still more unfavourable picture if Germany, owing to said compensation régime, had not acquired, as it successively did, large quantities of coffee, cotton, cocoa, tobacco, hides, fur, rubber, etc."

CONTESTATION — This line of argument is not only unreasonable but absurd. We take the trouble of contesting it for the sole purpose of showing the bad faith with which an attempt has been made to illude national public opinion in the present case, making the problem more difficult to understand by a reasoning that is positively no reasoning at all.

It is true that Brazilian exports to Germany showed an increase of £825,150 in 1935, over those of 1934; but it is also true that Brazilian exports lost, last year, in confrontation with the movement registered in 1934, the amount of £2,227,763. To have recourse, however, to the statistics of Teuto-Brazilian commerce covering the last two years, for the purpose of demonstrating that the increase of our exports to Germany helped to prevent the drop in our foreign trade figures from being still heavier, — is to bring about a complete deviation from the logical conclusion to which these figures should lead us.

A large part of the decrease in our foreign trade figures for 1935, must be attributed to the sudden displacement of the transactions with the traditional clients of our products, — a critical and disturbing situation, brought about in fact by the very régime of exchanges effected in blocked currencies.

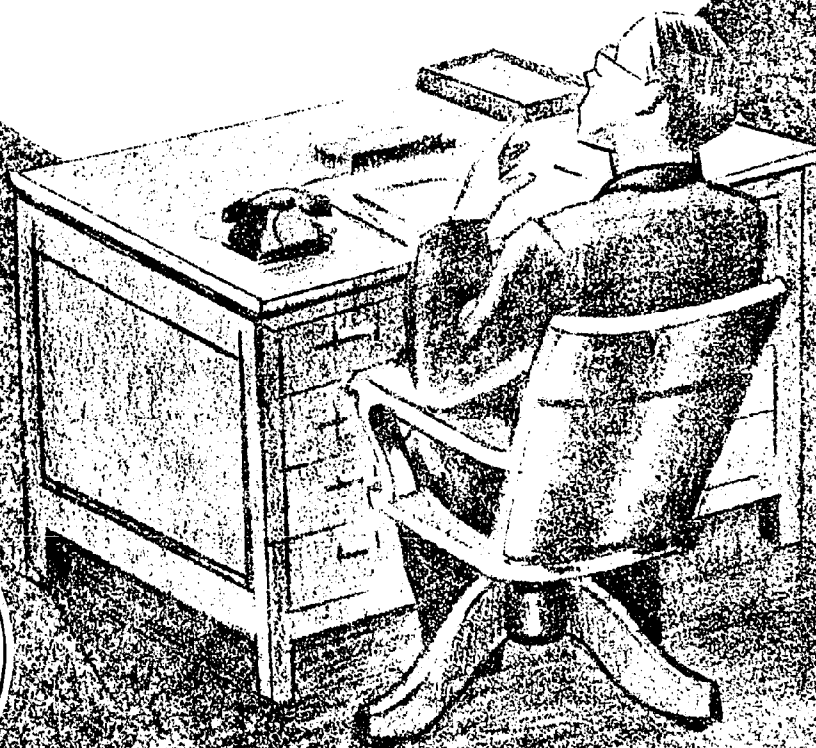
U. S. A. sales represented, in 1935, 23,36% of our total imports, (value in pounds sterling). The proportion for 1934 was 23,67%, 1933 21,18%, 1932 30,20% and 1931 25,01%. The drop becomes significant when one is aware that the U. S. A. participated with 43,63% on the gold value of our exports in 1931; which percentage dropped to 45,83% in 1932, 46,71% in 1933, 39,17% in 1934, and 39,44% in 1935, at a time when Brazilian imports showed a considerable increase.

England, which up to last year figured in second place on the list of our best customers, was superseded by Germany, whose proportion in our imports worked out at 10,48% in 1931, 9,01% in 1932, 11,95% in 1933 and 14,02% in 1934, rising to 20,44% in 1935. In the movement of exports, however, Germany did not offer us the same advantages, as the percentages of the gold value of her purchases on our markets follow the following scale: 9,32% in 1931, 8,89% in 1932, 8,12% in 1933, 13,13% in 1934 and 16,51% in 1935.

The percentage of British sales in the whole of our imports dropped from 17,45% in 1931, 19,20% in 1932 and 19,44% in 1933, to 17,14% in 1934 and 12,43% in 1935, our

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exports having dropped in the following proportion: 7.19% in 1931, 7.02% in 1932, 7.48% in 1933, 12.10% in 1934 and only 0.26% in 1935.

The "auspicious result" of this policy was the following: in 1934, when transactions in blocked currencies were only effected during the last three months of the year, Brazil obtained a trade balance with Germany of 102,816 contos of reis (in pounds sterling: £1,056,651), for, having exported products to the value of 453,579 contos, (£4,625,957), it imported merchandise to the amount of 350,763 contos (£3,569,306). In 1935, however, the quota of Germany in the excess gold value of the total of Brazil's imports having worked out at 88.3%, this brought about a deficit in our mercantile balance in the value of 120,228 contos of reis equivalent to £157,113 sterling. In other words: in 1934 Brazil imported altogether merchandise to the value of £25,467,306 sterling, while exports dropped to £35,239,611 sterling (balance in sterling: £9,772,305). In 1935, Brazil's imports rose to £27,431,114 sterling, and exports dropped to £33,011,848 sterling, there being a drop in the balance, therefore, of £5,580,734 sterling. Consequently under the compensation régime Brazilian commerce lost still more revenue. While Brazilian imports from Germany increased, in 1935, by the amount of 448,949 contos of reis, i. e., an increase of 128% over 1934, Brazilian exports to Germany only obtained an increase of 225,925 contos, that is to say, only 50% more than in the previous year.

THE SAME WRITER — The mercantile exchange compensation agreement between Brazil and Germany guarantees to our country a balanced balance sheet, because said exchange is effected on a 100% basis. At the end of 1935, a balance was verified in favor of Brazil, which balance, however, through posterior Brazilian purchases in Germany, was compensated".

CONTESTATION — This is not true. The German-Brazilian trade balance, as we see above, was unfavourable to Brazil in 1935, for, as against imports to the value of 799,732 contos of reis (in pounds sterling: 5,608,220), we only exported merchandise to the value of 679,504 contos of reis, (£5,451,107), — which shows a deficit against Brazil of 120,228 Contos of reis, (£157,113). This means that in 1935 Brazil imported from Germany 120,228 Contos more than it sold to this country. Now, whoever buys more than he sells, has no surplus, but a deficit, in the compensation of accounts.

Besides this, the statement that interchange effected through the compensation regime guarantees a level balance sheet, is tantamount to a serious mistake, as the transactions are effected on a 100% basis.

AN OBSERVER — "Now, the truth of the matter is that I limited myself to state a situation as it exists in fact, and to show that the compensated currency establishes a mathematical balance for the exchanges".

CONTESTATION — In "compensating" terminology, the expressions "commerce on a 100% basis" and "mathematical balance for the exchanges" mean the perfect equilibrium of the commercial balance sheet, doubtless one of the gravest menaces which threatens the foreign commerce of Brazil, for on the day that the value of the merchandise which we import is the monetary equivalent of the products exported, — our national wealth will be a thing of the past. In face of the present commercial policy of the principal buyers of our raw materials, it seems to us to be foolish, instead of preferring the equilibrium of our commercial balance sheet, — which has always given us advantageous balances on the right side, to chose a system of nations which, owing to well-known reasons of a political, social, economic and financial order, have been

forced to "exchange" because they could no longer SELL.

The "mathematical balance of exchanges" may perhaps be feasible between individual countries and their Colonies; as regards Brazil, this equilibrium would lead to insolvency, because its foreign trade has to be maintained with nations for whom the "barter system" is nothing more than an expedient contrary to the most elementary economic interests.

THE SAME OBSERVER — "The enemies of the compensated currency regimes maintain that where they lose is precisely in the mathematical balance mentioned above. Receiving from us merchandise for merchandise, Germany prevents us from obtaining favourable trade balances. Let us, however, admit that this does not happen, i. e., that Germany agrees to sell us less than we buy. What shall we do with the surplus? Only one use can be made of the surplus: — the acquisition of more goods in Germany, once this country has no appropriations available to transfer to us, nor any gold reserves to acquire our surplus. The situation will be practically the same as in compensated currency operations, unless the surplus amounts are permitted to "freeze" in the debtor country. Moreover, unfreezing operations, nowadays so usual between different interested countries, have always as a basis the equilibrium of exchanges, being consequently in a final analysis, purely a compensation operation".

CONTESTATION — Here in a simple question, is the complete solution of the whole of this complicated problem. One admits, for example, that Germany agrees to sell us less than she buys from us, or to buy more than she sells to us. Very well. What shall we do with the surplus or the deficits produced by these transactions? They will simply bring wealth or dearth to the country, for Germany also has available amounts in money for her business affairs. It is quite clear, of course, that its ready money possibilities are rather limited; but this does not restrain her from maintaining wide transactions with countries which did not accept unconditionally the "New Deal" system, which is more allied to a military rather than an economic programme.

The proof of this statement is found in the present struggle between Goering and Schacht, the two dictators of German economy. The latter is favourable to the policy of granting subsidies to exports, although on a smaller scale than formerly, and is against the devalorization of the mark, a measure for which business and agricultural circles are fighting, which circles are in point of fact, the direct suppliers of the awards paid by the Government to the manufacturing exporters. Commenting this fact in the "New York Times" (May 1, 1936), the journalist Otto D. Tolischus states that "the manufacturers prefer devalorization to the subsidy, fearing that Goering, Commissary for Raw Materials and Foreign Exchange, would force exports at any price, in order to raise the funds in foreign currency necessary for the acquisition of basic products, and above all those intended for German rearmament".

Almost all of the experts foresee the unavoidable devalorization of the mark (New York Times, May, 3, 1936).

Faced by these facts, it would be interesting to know why Brazil did not manage to negotiate with Germany a commercial agreement on the basis of the one signed recently between the Reich and Mandchukuo, pursuant to which part of the exports intended for Germany will be paid for in Reichmarks. ("New York Times", May 3, 1936).

The same tacit understanding now existing between the Banco do Brazil and the Reichsbank, could be used,

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outside the terms of a treaty, (which it would be impossible to formulate between the Brazilian and German Governments owing to our commercial relations with other countries), for the normal satisfaction of the interests of Brazilian producers and German manufacturers, whose affairs could be "mathematically" balanced without the artificial means of direct exchanges.

Militarism and the spirit of conquest may have profoundly altered the monetary system and the economic mentality of certain European governments, but this is not a virtue which deserves as a reward a privilege such as the one granted by Brazil to the nations whose currency is restricted, in detriment of other countries with which it maintains normal mercantile relations.

THE SAME OBSERVER AGAIN — "Compensated currencies are greatly opposed by the strictly banking understanding of business affairs. If, however, Brazil could have effected its operations on this basis of reciprocal necessities, we would have attained progress more certain and more sure, without adopting the empiric methods of overloading future generations with burdens created by present ones".

CONTESTATION — If Brazil were able to use as a foundation for its foreign business this "real basis" of reciprocal necessities, it would not be a new country, in debt and lacking experience, but a capitalist power, with a clearly defined economy, for whom a deficit in its commercial balance sheet would perhaps be a very necessary item for the stability of its enormous assets on the balance sheets of international accounts. This being so, the adop-

tion of the principles of mercantile exchange seems to us to be very problematical.

A NEWSPAPERMAN — "Were it not for the purchases of coffee effected by Germany, hundreds of thousands of bags would have been incinerated or thrown into the sea. Consequently exports to Germany kept Brazilian economic values in very high figures".

CONTESTATION — The opinion has become general amongst us that the compensation régime alters the capacity of absorption of merchandise, and that, this being so, through the system of exchanges, Germany would acquire from us not only larger quantities of coffee than she normally buys on our markets, but also much more cotton.

The mistake is evident. The commerce in blocked currency, which greatly helped to increase the movement in manufactured products, did not manage to increase the exportation of superfluous merchandise. Having the option of choosing between cotton and coffee, Germany did not hesitate; she bought cotton — statistics prove this fact in a convincing manner. The tables published below are significant. Compensated trade with Germany had its beginning at the end of September, 1934; in February 1935 the exchange quota of 35% was established; in May 1935 transactions in blocked marks were suspended, and in the following month of June we returned to the original situation of exchanges, with the exclusion of cotton. One notes the complete inversion of the cotton trade between Brazil, Germany and England, by comparing its oscillations with the coffee exports to these countries:

COFFEE AND COTTON EXPORTS, TO GERMANY AND GREAT BRITAIN

MONTHS	COTTON (Tons)		COFFEE TO GERMANY	
	Germany	Great Britain	Bags	Value in Mil Réis
1933 July	—	—	101.194	13.628.973
August	—	—	115.739	15.229.337
September	—	553	109.151	14.279.872
October	34	537	104.238	13.227.458
November	103	1.240	103.468	13.152.614
December	254	4.662	97.222	12.432.602
ANNUAL TOTALS	391	1.592	1.165.419	159.300.278
1934 January	253	8.584	172.404	23.169.372
February	439	4.198	122.761	19.540.174
March	334	4.397	103.876	16.750.339
April	537	2.716	102.798	16.033.402
May	918	2.617	95.777	14.085.110
June	1.516	5.854	176.826	26.617.202
July	1.720	4.323	52.807	7.682.808
August	1.244	3.651	140.643	21.565.608
September	748	9.816	324.427	50.603.740
October	2.237	7.840	162.263	25.101.739
November	4.850	9.039	141.190	21.829.240
December	6.613	7.441	114.228	17.631.295
TOTALS	21.442	4.446	1.710.000	261.210.029
1935 January	3.558	66.340	61.851	9.421.404
February	50.566	3.780	49.822	7.537.641
March	6.949	3.212	22.330	3.229.107
April	6.564	1.563	710	1.392.690
May	4.086	710	20.414	2.733.104
June	7.668	990	19.440	2.600.493
July	7.290	3.530	112.284	16.273.605
August	8.149	1.104	101.674	14.194.591
September	1.741	1.741	90.925	12.758.145
October	7.693	1.894	143.506	20.381.977
November	7.891	1.311	86.491	12.548.321
December	5.442	1.692	151.730	22.154.321
TOTALS	82.329	4.367	871.007	125.225.399
1936 January	2.100	25.939	92.873	13.941.894
February	690	4.805	42.185	6.221.748
March	1.996	2.537	—	—
		3.413		

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What do these figures prove to us except the obvious fact that when Germany buys coffee from us, it does not buy cotton, and that when it can acquire cotton it abandons the importation of coffee?

In 1934 England bought from us 66,340 tons of cotton and Germany only 21,442. In 1935, however, in virtue of the artificial rise in prices caused by the blocked marks, England had to reduce her purchases to 25,939 tons, for Germany had monopolised our market, as it were, by acquiring 82,329 tons.

Below are published the coffee export figures and those covering the cotton trade. In 1933 Germany imported from Brazil 1,165,419 sacks of coffee; in 1934, having acquired 21,442 of cotton, it imported 1,710,000, — an increase which can be explained by the first purchases made under the "New Deal" régime, inception in September 1934 with a record purchase of 324,427 bags. In 1935, however, having imported 82,329 tons of cotton, Germany limited her purchases of Brazilian coffee to 871,007 bags, i. e., 838,993 bags less than during the previous year.

What, therefore, is the logical conclusion to which these figures bring us? Simply that, when Germany buys cotton from us she does not import our coffee!

A MORNING DAILY — "It is not true that the compensation will make us followers of Germany and will deviate in favour of this country the stream of business we maintain with other countries".

CONTESTATION — This proposition does not resist the most superficial analysis. With the advent of European peace, Germany was obliged to forfeit distant colonies in favour of the victorious nations. (Art. 119 of the Treaty of Peace, 1919). Struggling with an unprecedented financial crisis, and being unable to count on the raw materials absolutely necessary to its manufacturing establishments, the Government of the Reich had recourse to the idea of international exchanges, which is equivalent to the reconquest of a great economic Empire — without the disadvantage of a political order that territorial empires generally bring to their Capitals.

In doing this, however, Germany to her own advantage, the normal currents of commerce which some countries maintained with other manufacturing powers. Amongst us, for example, this displacement was profound and menacing, as analysed at the beginning of this article. Without any comments, we present the following tables for comparison:

PERCENTAGES OF THE IMPORTS AND EXPORTS OF THE UNITED STATES, GERMANY AND GREAT BRITAIN, ON THE TOTAL VALUE IN POUNDS STERLING OF THE EXPORTS AND IMPORTS OF BRAZIL

YEARS	% of Brazil's Imports	% of Brazil's Exports	% of Brazil's Imports	% of Brazil's Exports	% of Brazil's Imports	% of Brazil's Exports
1931	25,01	43,63	10,48	9,23	17,45	7,19
1932	30,20	45,83	9,01	8,89	19,20	7,02
1933	21,18	46,71	11,95	8,12	19,44	7,48
1934	23,67	39,17	14,02	13,13	17,14	12,10
1935	23,36	39,44	20,44	16,51	12,43	9,26

The displacement, as one verifies, was a very serious one and could not be overruled by mere words, as it was a question of opinion.

THE SAME MORNING DAILY — "It is convenient to call the reader's attention to the table published above (German-Brazilian trade balance for the period 1929-1935) in convincing evidence of the fact that we do not need compensation marks to pay for the merchandise which we purchase from other countries. It is sufficient to remember that both the United States and France afford us considerable balances in our favour".

CONTESTATION — Now this proves nothing except the instability of commerce in blocked currencies. In truth, Brazil could not count on the surplus of commerce with Germany to counterbalance its accounts with other countries, for, as a rule, in her business with Germany, Brazil always suffered a loss. During the last fifteen years, from 1921 to 1935, only five annual balances of German-Brazilian commerce were favourable to Brazil. On the statistics being made up, it is surprising to verify that during this period (1921-1935) the German-Brazilian commercial balances showed a deficit of 328,214 contos of reis against Brazil.

Under the regime of exchanges there was no modification in the disadvantageous position of Brazil. On the contrary; in 1935 the deficit of Brazil's balance of trade with Germany reached the highest figures recorded during the above periods — 120,228 contos of reis, under this régime, while our imports from Germany were increased by 128%, (448,949 contos), over those of 1934, our exports to this friendly country only improved by 50% (225,925 contos).

It is exactly because there are countries which give us considerable balances in our favour that we cannot dis-

tinguish with concessions of this nature a client who has only given us deficits. Our commercial policy should be never to deviate from the principle of equality of conditions in its relations with foreign markets, however tempting the manner in which the compensation idea may be presented, for it is fundamentally contrary to the principle of equity with which it is necessary to characterise our commercial interchange with foreign countries.

A POLITICIAN — "But the fact of our balance of trade with Germany being unfavourable, does not constitute a decisive argument to prove the disadvantage of a system of exchanges, does it?"

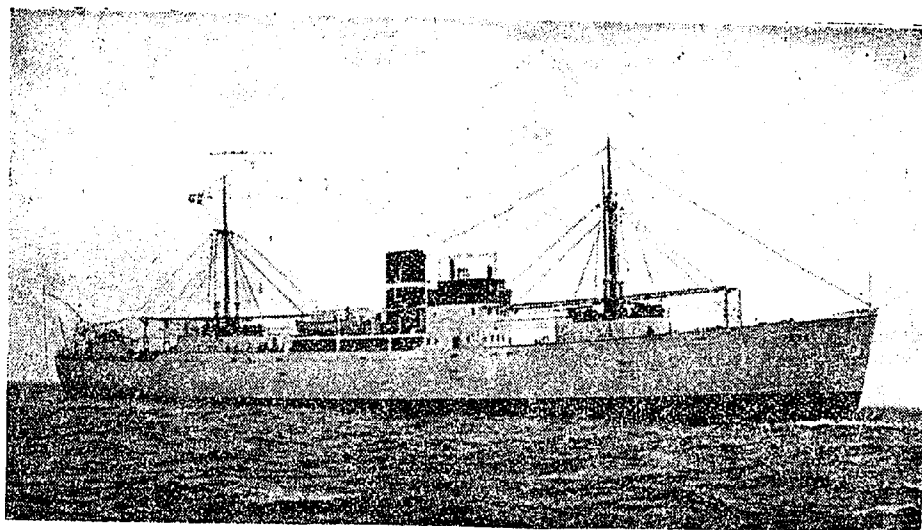
CONTESTATION — Certainly the objection would have foundations if, under the régime of direct exchanges, the lack of equilibrium in the commercial balance sheet were unfeasible. But this is not the case. As we see, in 1935 Brazil imported from Germany merchandise which exceeded by 120,228 contos of reis, the value of its exports. This means to say that Germany thus obtained credit in merchandise on our markets to the amount of 120,228 contos, which credit gives it the right to protect itself, at any moment, by means of new imports. This collection has been up to now awaiting the signing of a new cotton agreement, the product being the axle of the whole compensation régime between Brazil and Germany. Now, those who study the tendencies of our foreign commerce believed that the trend of German-Brazilian mercantile interchange was positively favourable to Brazil during the last five years, (1930 to 1934), previous to the implanting of the "New Deal", for during this period we obtained three considerable balances in our favour, (1931, 119,395 contos; 1932, 87,157 contos; 1934, 102,816 contos) — on the balance sheets of our commerce with Germany. Favourable trade balances such as these have only occur-

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red twice since 1921 (1921, 27,995 contos and 1927, 30,621 contos).

The compensation régime annulled at one fell stroke, the monetary value of this great market which was won by such arduous efforts on the part of our producers, and this happened exactly at a most unpropitious moment, when cotton was coming on the market, and it cannot be denied that cotton is the merchandise most desired by Germany.

the result of this policy was as follows:

In 1935 Germany imported from Brazil (in paper currency):

Cotton	£ 5,158,000
Coffee	£ 1,815,500
Sundries	£ 2,102,000
Total	£ 9,075,500

Of these exports to Germany the banks bought 35% of the value of the coffee, cotton and other products, in this way withdrawing from the free market available money to the amount of about £2,500,000.

A LAYMAN — "How can one understand that the available value of imports in the amount of £3,569,369, compensated by exports to the value of £3,228,268, giving a surplus of £341,041, can bring a depreciative influence on the quotations of the milreis, causing the considerable drops now being noted? This is an absurdity, foolishness — to argue in this way is to become ridiculous."

CONTESTATION — If this were the true reasoning, then certainly the argument would be ridiculous, but in order to arrive at this false conclusion the author pulls the strings with the credits relating to frozen debts — a circumstance which alters the real economic meaning of German-Brazilian mercantile interchange in 1934, which gave us a surplus of 102,816 contos of reis (for the "New Deal" entered into force in September of said year), bringing about a deficit of 120,228 contos in the following year.

ANOTHER LAYMAN — "Germany is in a situation similar to that of Brazil, as regards her obligations with foreign countries, and that is the reason why she is obliged to observe, as far as possible, the principle of paying her debts at free exchange rates."

CONTESTATION — The truth of the matter is that the situation of both countries differs radically. One cannot compare the attitude of Germany, in face of its obligations abroad, with the position of a country that uses £7,739,487 for its foreign debt service, counting for this purpose solely on the recourse of exports to the value of £54,960,931 and imports in the amount of £45,911,738. We must not forget that Brazil uses 61.1% of the total of exchange sold on the official market, in its foreign debt service (see Bank of Brazil Report for 1935, page 19), and has a very high idea of its responsibilities regarding its contracts, which, however, has unfortunately not been demonstrated in the cases of commercial relations with countries whose currency is blocked.

A S. PAULO EVENING PAPER — "São Paulo will profit by the agreement which has just been brought into being by the Foreign Office, for this State will obtain a supply of machinery, while simultaneously shipping to German markets coffee and cotton in quantities more than sufficient to make the situation easier for our stocks, keeping up the quotations of these two products".

CONTESTATION — Here again we have cotton and coffee. This argument has already been dealt with above

it having been made plain that Germany is interested in cotton and not in coffee. However, the circumstance of this evening paper having called to our attention the supplying of railway material, the lack of which is being felt so much by railways in the State of São Paulo, leads us to another order of considerations, no less opportune, for it was the very São Paulo Government itself that intervened at the Federal Council of Overseas Trade for the suspension of the transactions in blocked marks. The considerations advanced by São Paulo convinced the Council, which, on May 13, 1935, ratified the motion of Sr. Souza Mello, ruling that our activities in international commerce could only be continued in non-blocked currencies.

Reading the news items supplied to the Press by the Secretariat of the Council, we were also able to verify that the last speaker on the matter was the Minister of Foreign Affairs. Supporting the Souza Mello motion, Dr. Macedo Soares gave a summary of the actual situation of the trade balance, in great part constituted by coffee and cotton exports. His Excellency showed that it was necessary to defend the gold which is received from the sale of cotton, which is an article of merchandise easy to sell, and which, therefore, should not suffer restrictions. (See "Jornal do Commercio", Rio, May 14, 1935).

In its edition of May 20, 1935, the São Paulo "Diário da Noite" divulged the reasons presented to the Federal Council by the Secretariat of Finance of the State of São Paulo, figuring in a document entitled "What are the gold sources at the disposal of Brazil for the cover of her exchange needs?"

The exposition to which we refer is drawn up in the following terms:

"Let us see, in the first place, which are the principal sources available for the production of gold.

"Obviously the principal ones are coffee and cotton. Paying no attention to the other sources — for statistics are not available, and we cannot, therefore argue about them — we find:

COFFEE

15,000,000 bags at £2 per bag £30,000,000

COTTON

100,000,000 kilos of this product exportable by S. Paulo
200,000,000 kilos exportable by Northern States.

200,000,000 kilos at 4 milreis give 1,200,000,000
at 80\$000 per pound sterling give £15,000,000

RECAPITULATION

From coffee	£30,000,000
From cotton	£15,000,000
Total	£45,000,000

Let us now see what destination is given to these forty five million pounds:

Coffee, producing £30,000,000, returns to the Bank of Brazil 35% of its total equivalent at £10,500,000 and £19,500,000 to the Free Market, as follows:

From coffee:	
35% to the Bank of Brazil	£10,500,000
and 65% to Free Exchange	£19,500,000
Total	£30,000,000

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— RIO DE JANEIRO —

As regards cotton, in accordance with this reasoning, we should be able to say: Cotton, producing £15,000,000, ought to give another 35% to the Bank of Brazil, equivalent to £5,250,000, and 65% more to free exchange, equivalent to £9,750,000, as follows:

From cotton:	
35% to the Bank of Brazil	£5,250,000
and 65% to Free Exchange	£9,750,000
Total	£15,000,000

In this case we would have from both sources:

For the Bank of Brazil:	
35% from coffee	£10,500,000
35% from cotton	£ 5,250,000
	£15,750,000

For free exchange	
65% from coffee	£19,500,000
65% from cotton	£ 9,750,000
	£29,250,000
Total	£45,000,000

In reality, however, this does not occur.

Exportation to Germany is, from the exchange viewpoint, a fictitious one, just as if it were simply coastwise exportation, in national currency, which is what the present article sets out to prove, starting by giving a summary of cotton market history.

Owing to exchange difficulties with the United States, Germany cannot buy cotton there, being obliged to procure other markets from whence to import this raw material, of which it has at present such need for its different industries.

Germany does so, paying the best prices, for there are very few countries where it can make purchases with blocked marks, independently of the irrevocable banking credits, opened in British or American currency. As a consequence of our present exchange policy and compensation agreement with Germany, it is here in Brazil that this country is obtaining its supplies of cotton, encountering every facility for this purpose, aided by the compensation policy.

The German Government only authorizes purchases of cotton, which business it controls with great severity, when for each purchase there is a corresponding sale of one of its industrial products for exportation to Brazil, and the German banks here, where said credits are opened, only transform the mark value into milreis, when they find some firm, established here, willing to buy the marks at a very compensating agio. It was in this way that the millions of marks frozen here up to last February, were unfrozen.

In virtue of the agreement made by the Government with the German banks, they are obliged to deliver to the Bank of Brazil 35% in gold of the value of cotton exchange, bought by them from the exporters by means of the above process.

Now, as the cotton sales are effected in blocked marks and not in pounds sterling or gold dollars, the German banks are obliged to go to the Free Exchange Market to buy the pounds sterling or gold dollars necessary for the payment of the 35% in gold to the Bank of Brazil.

In a final analysis we see the following absurdity:

Our exportation to Germany, instead of producing gold for us to effect our payments and pay for our imports from other countries, from whom we have to buy, is lamentably burdening the exchange situation, and withdra-

wing from the free exchange market said 35% gold which the German banks need to return to the Bank of Brazil.

Instead of producing gold and delivering 35% to the Bank of Brazil, and 65% to the free exchange market, exportation to Germany is withdrawing from the market 35% of the free exchange intended for the payment of the obligations assumed in other countries.

From the exchange viewpoint, cotton exportation to Germany causes a hundred per cent loss in the free exchange market, in virtue of the compensations in blocked marks, and, moreover, thirty five percent of gold exchange that the German banks buy on the free market to deliver to the Bank of Brazil.

In figures, this situation is expressed as follows:

Germany will surely purchase 80% of the Brazilian crop, once that we give her exceptional exchange privileges, which means to say that Germany will buy about £12,000,000 worth of products (i. e., 80% of the value of the crop, which is estimated at £15,000,000).

These twelve million pounds will not circulate on the market and, besides this, the German banks will have to purchase, for delivery to the Bank of Brazil, 35% of this amount, i. e., £1,200,000. Consequently the exportation to Germany withdraws from the free market £16,200,000, as follows:

Exports to Germany	£12,000,000
35% bought by the German Banks on the free market	£1,200,000
Total	£16,200,000

Consequently, we see that, of the £29,250,000 which should circulate on the free market of the 65% from coffee and cotton, setting aside £16,000,000 odd for German business, there would only remain £13,050,000 for all the other commercial needs of the country.

REVENUE OF PRODUCTION

By coffee	£30,000,000	
By cotton	£15,000,000	£45,000,000

DESTINATION

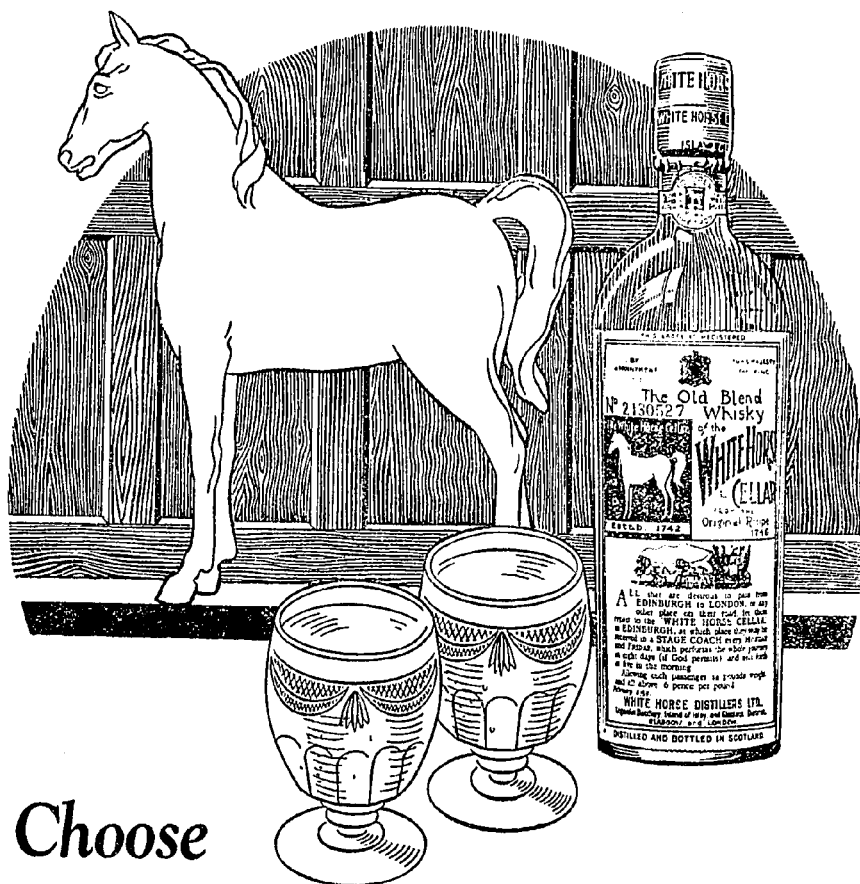
35% to the Bank of Brazil . . .	£15,750,000	
Exchange in marks which does not reach the market, in virtue of the compensations	£12,000,000	£27,750,000
There would remain for Free Exchange . .	£17,250,000	
To be bought by the German banks to pay the 35% to the Bank of Brazil	£ 4,200,000	
Effective surplus for the free exchange market		£13,050,000

In view of the above, business in blocked currencies must be eliminated.

Business should only be effected in currencies having free circulation.

The opinion of São Paulo regarding compensation marks was, as one sees, radically altered in the short period of a few months — Why? — Because in the calculations made it was forgotten to take into account imports and their influence on the exchange market, — No. — The reply to the question involves an explanation of a political nature, amply covered by the "Correio da Manhã" of this Capital (edition of May 27, 1936) a matter which can in no way be of interest in these comments.

A BADLY INFORMED PERSON — "Being prevented from acquiring our cotton, as they buy our coffee, the



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Germans obtained their supplies in the U. S. A., where everything is made easy for them. We may show ourselves to the world as an original people, for we are the only nation which has refused to sell Germany a chosen merchandise in permutation for blocked currency".

CONTESTATION — It is absolutely untrue that the United States have compensation agreements with any country, and whoever affirms that Germany exchanges its products with the whole world does not keep very close to the evidence of facts.

German-American transactions are effected in an international currency, (the dollar) the exchange suffering no restrictions on the part of the Government. The fact that firm A or B of New York exports to Hamburg silk or cotton in exchange for dies, bought from firm C or D, in no way alters the liberty of commerce of the great American Republic. The same procedure may be followed by Brazilian and German firms in their business relations, without any of the inconveniences proved herein, for in this case there only exists an individual agreement perfectly within the bounds of normal rules of legitimate commerce.

In order to obtain exact information of this matter, a cable was directed to Mr. Eugene P. Thomas, President of the National Foreign Trade Council, in New York, who promptly cabled us the following information: "OBSERVADOR" — Rio — "There is no official compensation agreement in existence between the United States and Germany nor does anyone cogitate the matter. Just a few firms do business in askimarks. Out of the exportation of about a million bales of U. S. cotton to Germany during the 16 months previous to last April, less than 10% was financed by the compensation system." — (signed) THOMAS.

But for a Government, such as that of Brazil, to authorize its official bank to establish said régime of exchange, or to sign an agreement, through diplomatic channels, giving its assent to business based on the system of direct exchanges between nations — is a very different matter, because it makes official, in a country which cannot exist without commercial balances, a political economy of restrictions and privileges, a real expedient, whose fatal consequences the most improvident can foresee, with a little goodwill and by not looking at the matter from a personal standpoint.

A SELLER — "One can do no business with the compensated mark. It does not circulate internationally because it is not paper representing gold specie, but only merchandise."

CONTESTATION — The countries which export raw materials, so greatly sought after throughout the world, cannot do business with the blocked mark, although some banks in Brazil, contrary to exchange regulations, hold important positions bought with compensation marks.

But Germany can do business with this gold-merchandise, just as if it were real money, re-exporting same to any other nation having an international currency, which fact is easily demonstrated by the latest statistics of our exports to the countries on the frontiers of Germany. (See also the Rio "Correio da Manhã" of May 28, 1935; and "Jornal do Commercio", of April 24, 1936). The danger of the devalorization of the mark, on the other hand, causes the most risky speculation on the value of the merchandise.

At this point it is interesting to confront the official statistics on Brazilian coffee exports to Germany with the official German ones. The comparison of the respective figures gives an opportunity for the most widely diverse comments, for it is not very probable that the enormous

monthly differences are only due to shipments made on different dates and to the time taken in crossing the ocean.

BRAZILIAN COFFEE IMPORTED BY GERMANY

1935

MONTHS	Brazilian statistics	German statistics
January	61.851	79.286
February	49.822	99.461
March	22.330	91.446
April	10.540	121.205
May	20.414	101.733
June	19.440	83.596
July	112.284	89.645
August	101.674	87.550
September	90.925	96.988
October	143.506	105.586
November	86.491	88.305
December	151.730	86.991
Total	871.007	1.131.992

1936

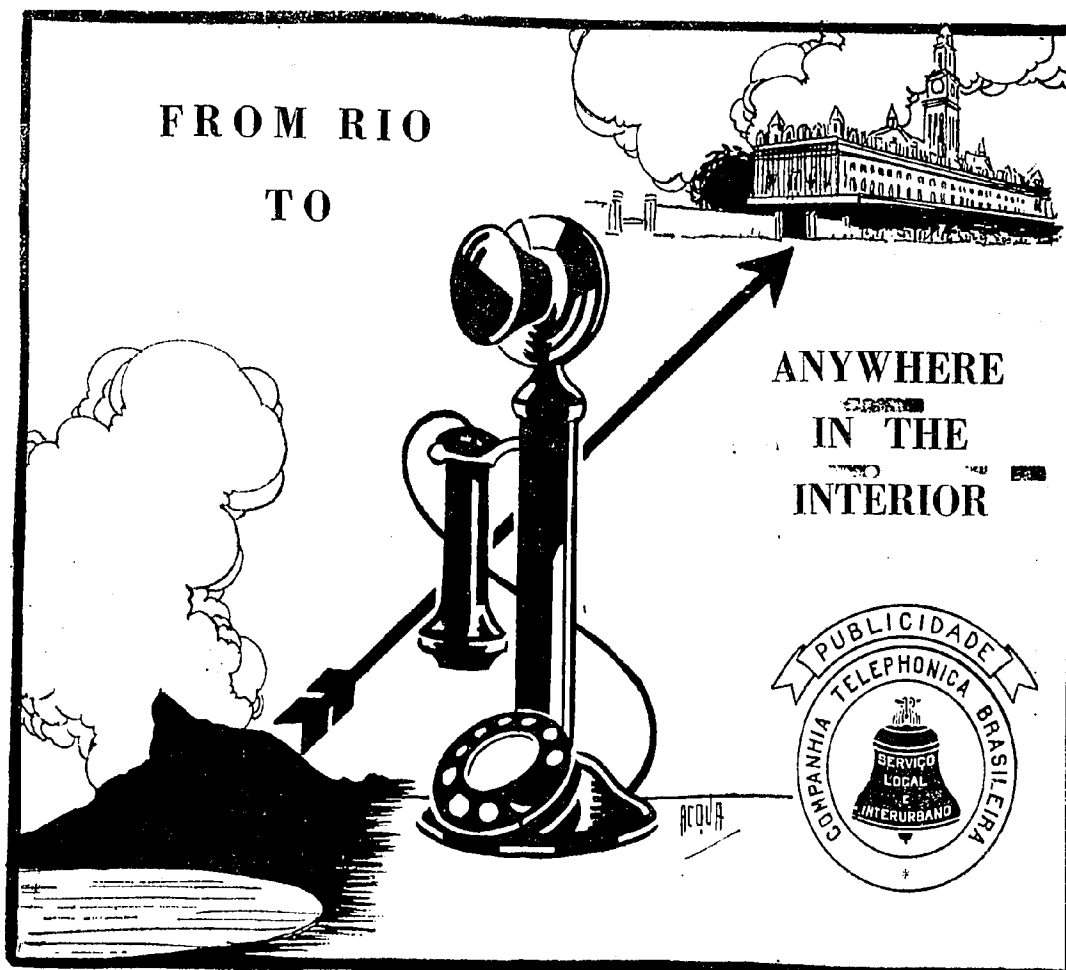
January	92.873	98.791
February	42.486	52.923
Total	133.359	151.714

A DEPUTY — "I am of the opinion that Brazil should not go against measures such as the present one, adopted by Germany, and which are properly resolving the German home trade problem".

CONTESTATION — Quite true: the compensation régime is resolving the German home trade problem, and making more and more complicated the solution of the foreign commerce problem of the countries which do business by the system of exchanges!

THE SAME MEMBER OF THE CHAMBER OF DEPUTIES — "The Federal Council of Overseas Trade prohibited the sale of cotton in compensated marks, because such sales were preventing the entrance of available gold exchange on our markets. This allegation is unbelievable. It describes, however, just what is occurring, with grave consequences, and still more serious menaces for the present cotton crop. There is no justification for the act of the Council, as will be easily verified by a glance at statistics. From 1929 to 1935 our interchange with Germany was as shown by the following table, which I hereby request the permission of the House to read and to which I wish to draw its attention.

YEARS	Exports to Germany	Imports from Germany
1929	£ 8.305.000	£10.994.000
1930	£ 6.102.000	£ 5.992.000
1931	£ 4.572	£ 3.013
1932	£ 3.257.000	£ 1.959.000
1933	£ 2.905.000	£ 3.362.000
1934	£ 4.625.000	£ 3.569.000
1935	£ 5.451.000	£ 5.607.000
	£30.649.572	£31.486.013



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As is seen, in seven years, from 1929 to 1935, we bought from Germany merchandise in the value of £31,486,013 and sold her merchandise in the value of £30,649,572. Therefore, during said period, we bought from Germany £836,441 more than we sold to her, i. e., our balance of accounts was that much owing to her. This is what the statistics say, and figures are figures. Faced by this evidence how is it possible to allege that the exchange of merchandise, between Brazil and Germany, is preventing the entrance of gold into our country? For, in mercantile interchange, are we not debtors to Germany?

CONTESTATION — The above lines were transcribed from the "Diario do Poder Legislativo" of Rio de Janeiro, issue of May 16, 1936, N. 319, pages 11,582 and 11,583. But the truth is that the figures (and figures are figures!) do not confirm such far-fetched statistics.

This illustrious Deputy mixed his figures, confounded his values, and in the general muddle, evidently caused by the heat of the discussion, and not by bad faith, allowed himself to be carried away by the most extraordinary reasoning to the contrary.

What the figures state is as follows:

GERMAN-BRAZILIAN MERCANTILE INTERCHANGE

Brazilian Exports to Germany			Brazilian Imports from Germany			Balance	
	Contos	££ sterling		Contos	££ sterling		
1929	338.122	8,305.107	1929	447.534	10,994.061	- 109.412	- 2,688.954
1930	265.046	5,992.221	1930	267.120	6,102.496	- 2,074	- 110.275
1931	314.225	4,572.900	1931	194.830	3,013.934	+ 119.395	+ 1,558.966
1932	223.618	3,257.243	1932	136.461	1,959.720	+ 87.157	+ 1,297.523
1933	228.920	2,905.105	1933	262.887	3,362.036	- 33.967	- 456.931
1934	453.579	4,625.957	1934	350.763	3,569.309	+ 102.816	+ 1,056.648
1935	679.504	5,451.107	1935	799.732	5,608.220	- 120.228	- 157.113
TOTAL . . .	2,503.014	35,109.640		2,459.327	34,609.776	+ 43.867	+ 499.864

It is plain that, in the seven years from 1929 to 1935, Brazil bought from Germany merchandise not to the value of £31,486,013, as the Deputy affirms, but in the amount £34,609,776; and sold Germany products not to the value of £30,649,572, as indicated by said Deputy but in the amount of £35,109,640. Therefore, considering these seven years, instead of saying, like the Deputy, that Brazil imported from Germany £836,441 more than it sold to said country and which brings about a deficit corresponding to this amount (£836,441) — we must say that Brazil imported from Germany £499,864 less than it exported, thus obtaining a surplus corresponding to the difference (£499,864).

The complete inversion of a deficit of £836,441 into a surplus of £499,864, arises from the lamentable confusion of the statistical table cited by the Deputy, who absent-mindedly changed some figures on exports for those on imports, reducing, besides this, the items for 1931 — £4,572,900 for Exports and £3,013,934, for Imports — to £4,572 and £3,013, respectively, in Brazilian exports and imports.

On summing up, inadvertently, these mixed values, with the intention of proving, by showing deficits against Brazil, that the balance of German-Brazilian commerce could not prevent the entrance of gold into our country, the Deputy succeeded in to demonstrating a theory quite to the contrary, for, obtaining favorable balances in its mercantile interchange with Germany, during said period of time (1929-1935) Brazil, under the régime of exchanges, is reducing its available gold exchange.

ANOTHER DEPUTY — "The sales of official exchange, according to the Bank of Brazil Report, attained in 1935 the amount of £15,115,300, which is a miracle in face of a surplus of only £9,049,048 on the commercial balance sheet."

CONTESTATION — There appears to have been no miracle at all, for the 35% are not withdrawn from the commercial balance sheet surplus, but from the exportation total, with the exports of certain products. Now, as exports attained, in 1935, £54,960,931, this amount could perfectly well cover the £15,115,300 originating from the export; of products subject to the delivery of 35% of their value. The analysis of the position of our trade balance, in face of

our balance of payments, (with the exception of all the other items), in 1935, can be resumed (in t paper), as follows:

Total exports	£54,960,931
Less 35% of the Bank of Brazil quota	£15,115,300
Imports	£39,845,631
Uncovered against commerce	£ 6,066,107

Therefore, limiting the interchange in free currencies, which renders a considerable surplus, the situation of the business houses that do not work under the artificial dumping régime, will become an impossible one.

THE SAME DEPUTY — "We evidently cannot continue this uncertain system of increasing and postponing obligations, waiting for hypothetical favourable trade balances, that in any case are less than the foreign obligations to an agreement as soon as possible, so as to make it lions of the country. It is necessary to lose no time, but to possible to obtain favourable trade balances in accordance with our needs. And in this way is explained, on the other hand, the war of interests in the commerce with Germany for compensation of merchandise. The credit bankers of Brazil are only interested in having us export against exchange, so that this may fall into the whirlpool of the foreign debt service. If this really be the case, then let them give us a chance to produce exchange."

CONTESTATION — The syllogism is false, because, if "we cannot continue this uncertain system of increasing and postponing obligations, waiting for favourable trade balances", and if "it is necessary to lose no time, but to come to some agreement as soon as possible, so as to make it possible to obtain favourable trade balances in accordance with our needs", — then, consequently, the war on commerce in blocked currencies is absolutely necessary, because it only tries to prevent Brazil from continuing "this uncertain system of increasing and postponing obligations", and, further, it facilitates the bringing about of "an agreement in virtue of which it will be possible to have favourable trade balances in accordance with the needs of the country":

It is exactly because we cannot work profitably under the anguished circumstances of the moment, living under restrictions and coerced by measures which become ever more and more severe, increasing and putting off the fulfilment of our obligations, without a sure and well defined economic policy capable of assuring the permanence of considerable balances to our credit in our mercantile interchange with foreign countries, — it is exactly for this reason that Brazil cannot exchange the product of its labour, for which other free markets would pay in gold, for merchandise whose importation, under the compensation régime, causes to become ever more remote, the possibility of "an agreement in virtue of which it will be possible to have favourable trade balances in accordance with our needs".

It will be said that "the credit bankers of Brazil are only interested in having us export against exchange so that same may fall into the whirlpool of the foreign debt service. If this really be the case, then let them give us a chance to produce exchange.

Only now, at the end of the good old coffee days, has Brazil managed to understand the true possibilities of polyculture, winning over, in the space of a few years, markets up to then indifferent to, or having very little interest in, the importation of Brazilian coffee. We were in this way, and by natural means, slowly but surely attaining the "ideal agreement" through which our creditors would facilitate favourable trade balances for us according to our needs — when we deviate towards Germany our commerce in raw materials, forgetting the fact that, doing so, we cannot give our creditors an opportunity of producing exchange, for the simple reason that we refuse to sell them the products which they wish to buy.

What most affects Brazil is the lack of a solid political economy duly laid down and carefully followed out. Everything we do, every deliberation we take, seems to be more the result of the financial convenience of the moment and, therefore, only benefits opportunist middlemen, with grave risks for the future economy of the country.

We are not by any means wrong in affirming that Brazil has only lived in accordance with the rules of a rigid financial programme, imposed at those critical moments when its obligations fall due. And so long as the course of our life allows us to effect this redemption punctually and without heavy sacrifices, we sail along as the wind blows, having no sure route, incapable of taking care of tomorrow. Having no hard and fast economic policy, ours is an ideal country for big deals, great commitments, out of which grow valorisation plans, economic readjustments, incineration of products, compensations, etc.

This is what is happening at the present time.

With no economic programme, but just peacefully marching along, with a real internal boom in business, protected by Decree 23.829 of February 5, 1934 and by the 1933 and 1936 frozen debt Agreements, Brazil, although its currency was devalorized abroad, was making progress at home in a wonderful manner, in agriculture, industry and commerce.

The régime of mercantile exchanges created, however, an artificial economic situation, whose consequences were noted by very few, because ambition knows no frontiers, nor has it any patriotism, but only sees the convenience of the moment. This ambition is so astute, intelligent, and farsceeing, that it disguises itself between the lines of Agreements and hides itself behind the most sensible words, leaving in the minds of those principally responsible for the fate of the country, the false impression that everything was done for the benefit of Brazil, and that all those people who are able to read, see and study, and who have the civic virtue of undertaking publicly to

discuss aforesaid problems, — ought to be regarded with suspicion.

The Agreement with Germany has, at this moment, a very grave aspect and should serve to call the attention of our Statesmen to the matter in hand. No one, in good faith, is unaware of what the regime of compensated currencies represents for our national economy. In this regard we have the spoken opinions of the Ministers of Foreign Affairs and Finance, and the very Message of the Chief of the Nation, covers the matter, — and the opinions expressed in same should also be taken into consideration in the field of practical matters, for the attainment of perfect harmony in the attitude of the Government as regards deciding the great administrative problems.

The middlemen should not be allowed to speak at this time, because the Nation needs to hear the word of its leaders in order to define its responsibilities.

This is all we have to say about the compensation policy.

THE COMPENSATION REGIME IN THE PRESIDENTIAL MESSAGE

"By artificial means, through measures of coercion made effective through the apparatus of the State, the industrial nations of the Old world are trying to limit as much as possible natural movement of mercantile exchanges. The reaction from said measures, the majority of which are drastic ones, reaches a point where it becomes disastrous for world economy, presenting, as regards the forms which it assumes, such a variety as to cause real surprise, there being included all kinds of reprisals, ranging from the establishing of quotas and contingencies to the direct restriction of currencies and compensation agreements.

Young nations, suppliers of basic products, are the ones most exposed to the effects of this policy of economic limitation and compression, which causes them all kinds of difficulties, in consequence of the lowering of the level of exports and of the forced drop in the general balance of values.

Everything, therefore, points to the need of a movement of co-operation capable of neutralising such disturbing effects. More as a means of legitimate, urgent defence, than as a measure of reaction, this movement is imposed principally for the purpose of adjusting scattered efforts and developing internal markets under firm and compensating conditions. The countries of the American Continent are not only producers of raw materials; they also form a solid economic block, disposing of 250,000,000 consumers, with an increasing capacity for the absorption of manufactured products. As there exists, in fact, on the American Continent, a great nation having a complete apparatus of great industries and having other industries partially organized, it becomes easy to interlace the commercial interests concerned and constitute a real economic community, at the margin of the strangling processes of countries who isolate themselves commercially.

"The circumstances justify, therefore, the efforts and the goodwill of the men responsible for the direction of public affairs, for the attainment of an objective of such far-reaching importance. The formation of a block of American Nations constitutes an imperative need of a social order and political equilibrium. Once the interests and aspirations of the Continent are completely united in an organization for mutual protection, it will be possible to march with safety towards the future, transmitting at the same time to posterity, a high example of international co-operation, based on constructive work, and on the sincere repulse of cruel conquests, of armed encounters, of all that which threatens to destroy the century-old work of Christian Civilization".

Notes

The weekly session of the Federal Council of Council of Overseas Trade was held on Monday last, under the presidency of the Executive Director, Minister Sebastião Sampaio; Dr. José Carlos de Macedo Soares, Minister of State for Foreign Affairs also attended. All members of the Council were present, with the exception of Sr. Arthur de Carvalho, who was still absent from the Capital.

The Minutes of the 99th. meeting, held on June 29th. having been duly approved, the weekly subject matter was read, consisting of the following items: Official note from the Ministry of Foreign Affairs covering a report from the Brazilian Consul in Alexandria regarding importation of coffee at that port; Memorandum from the Secretary of State for Foreign Affairs, acknowledging a report of the Council on exports of frozen meat to Belgium, and affirming that provisions for the inclusion of this product in the new commercial agreement under contemplation with that country would be duly studied; Telegram from the Federation of Co-operative Professional Timber Merchants of Rio Grande do Sul, regarding custom's duties on laths and strip-wood entering Argentina; and other matters.

In his report, the Executive Director, commented at length on the activity of the Brazilian Propaganda Bureaux recently installed in foreign countries by the Ministry of Labour, Industry and Commerce. Minister Sampaio recalled his attendance at the inauguration of the Paris Bureau, which is situated in a very fine position in the commercial centre of the French metropolis, in the same vicinity chosen for the Propaganda Bureaux of Portugal and Indo-China. The speaker praised the diligence and industry of the commercial attaché, Sr. João Pinto da Silva, to whose care the Bureau is entrusted. Sr. João Maria de Lacerda rose to supplement the report of the Executive Director by distributing among the Counsellors several photographs of the interior of the Paris Bureau.

Minister Sampaio, continuing with his report, also mentioned the excellent work of the Director of the Buenos Aires Propaganda Bureau, Dr. Octavio Botelho, whose reports to the Ministry of Labour (copies of which are habitually passed to the Council) never fail to contain information and suggestions of the greatest interest. The speaker then read the following communication from the Commercial Delegate of Brazil in Buenos Aires:

"On the first of April of the current year, the Argentine Government opened a call for tenders for the purchase of materials applicable to the treatment of water for supply to the populace. Taking advantage of this opportunity, the Companhia Geral de Minas, with Head Office in São Paulo, which has already furnished 4,000 tons of Bauxite, on an experimental basis producing excellent results, submitted a proposal through the intermediary of its President, to furnish 24,000 tons of this mineral, in pieces, sacked, and we are informed that the proposal will be accepted at the next session of the Ministry. Our Embassy rendered much assistance to Sr. Alberto Jackson Byington, President of the Company, introducing him to the Argentine Government, in this manner co-operating in an attempt to build up another exportable article from Brazil, in accordance with the counsels of H. E. Minister José Carlos de Macedo Soares, which will also directly benefit the State of Minas Geraes where the Bauxite mines are localised. Such is the interest displayed by the Argen-

tine Government that, taking advantage of the voyage of engineer Jorge Claypola to São Paulo and Rio to study the water and drainage systems, it resolved to commission this gentleman's services to inspect the Company's Bauxite deposits in the State of Minas, together with the installations, verifying the conditions of extraction of this mineral. In this manner the necessary data may be collected to be utilised in the event of this product being discovered in Argentina, for which purpose a special Commission has been nominated, which will effect researches in the North of the country. The possibilities of developing our exports of bauxite to the Argentine, are great, as the Government of this country is incepting heavy undertakings not only in Buenos Aires, but also in other cities, whose supply of water is obtained from the River Paraná, which necessitates chemical treatment to render it suitable for supply to the populace".

At the indication of Minister Sampaio, the Council resolved to designate a Commission composed of the Executive Director and Counsellors Euvaldo Lodi and Raul Leite, to wait upon the French Ambassador, M. Louis Hermite, who, having attained the age limit, is shortly to leave Brazil; the Commission will tender thanks for the collaboration which His Excellency has afforded the Council in appearing at the sessions during which questions relating to Franco-Brazilian commercial interchange were discussed.

Another indication, this of Sr. Arthur Torres Filho, dealt with the opening of manifests for cargo vessels operating the services of transport of Brazilian and Argentine goods between the two countries, and provided for the reduction of the expenses resultant from the collection of Consular fees which automatically increased the price of the article transported, as a different manifest has to be opened for each port of shipment, and each of destination. Speaking chiefly of the shipments of Argentine fresh fruit to Brazilian markets during the first six months of each year, Sr. Torres Filho moved that the whole shipments should be included in one manifest, the scheme to be reciprocal as regards Brazilian shipments to the Argentine.

Attending to the repeated petitions of the Bahia exporters, the Council continued to study the possibility of exempting exports of cigars and cigarettes from the delivery of official exchange quotas, in consideration of the quality of these articles as manufactured goods which necessitate greater protection to conquer or even to hold foreign markets.

The motion originally proposed by Sr. Euvaldo Lodi, calling for total exemption, was accepted in principle by the Exchange Director of the Banco do Brasil, Sr. Alberto Boavista, who reserved decision until the termination of study of statistical and other data.

Speaking on this matter, Sr. Raul Leite corroborated a suggestion of Sr. Alberto Boavista to the effect that the producers and exporters should be invited to make some effort to extend the foreign propaganda of the product, thereby increasing consumption. Sr. Leite observed that, as a natural result of the increased cost of living, smokers in all countries no longer permit themselves to be attracted by publicity of an extravagant or blatant nature, preferring to consider the limitations imposed on their pockets by the price of the articles they may require. Brazilian manufacturers of cigars and cigarettes who wish to occupy firm positions on the import markets should, therefore, not only strive to attain good appearance and wide diffusion of their products, but also to offer them at competitive prices.

The Executive Director also communicated that the ruling of the Council voted at a previous meeting, regarding the reduction in the official exchange quota on lard

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from 100 to 35% had been approved by the President of the Republic.

Passing to the material incorporated in the order of the day, the council heard the reading of a report by Sr. Lennhoff Britto on the duties incumbent on imports of amianthus fibre, and another by Sr. Victor Vianna, regarding a projected commercial and financial convention submitted to the President of the Republic by Minister Octavio Fialho. Both matters were deferred due to requests for investigation of the reports respectively by Sr. Euvaldo Lodi and Sr. Valentin Bouças.

Finally, a report of Sr. Arthur Torres Filho on the commercial expansion of rice culture in the country and the possibility of increasing exports, was approved. In accordance with the conclusions of the report, apart from a general investigation into the exact situation of this line of agriculture, studies are to be made with a view to judging the acceptance of Brazilian rice in various countries, to which it may be possible to increase sales.

Cotton

The State of São Paulo may well become known as the "co-operative State". For several years, co-operative systems have been in force in many industries, and are now taking a definite grip on the cotton trade, supplemented by State aid. An article in the local Press recently divulged that if an organised co-operative industry could be built up, the cotton growers would receive nearly as much again as they do at present for their raw cotton, by cutting out the middleman's profit; part of the resulting increase in income could then be turned to the improvement of crops, which would render a satisfactory return in due course.

As regards State aid, the Secretariat of Agriculture has organized a total of 200 experimental fields worked by co-operative labour throughout the State, and 13 ginning mills, which handled nearly 300,000 bags of cotton during the past two months. The seeds extracted are carefully examined, and re-distributed at a later period, the majority being far in excess of the minimum percentage of germinative value, which is 70%. The Department in charge of the classification and distribution of seeds has moved headquarters to Campinas, which is a more central position.

Cattle Fair

The Fifth National Exhibition of Animals and Derivative Products will be inaugurated on July 18th., at the Derby Club, in this Capital. There has been no inconsiderable stir in Stock and Cattle circles during the past month, as this Fair is considered, and rightly, the most important event of the kind Brazil has yet known.

Practically every State of the Union has been occupied in preparing one kind of exhibit or another, whether of live stock, or produce. Special travel concessions have been granted by the Central do Brazil and Leopoldina Railways and many others, for exhibitors and visitors as well as the actual exhibits. The Lloyd Brasileiro collaborated with the Ministry of Agriculture in facilitating transport as far as possible at reduced rates, with amplified services from many ports; other coastal Lines also collaborated.

In accordance with the custom of previous Fairs, (the last was in 1922), there will be a truly Brazilian churrasco, which is said to be a great attraction. Also, several polo matches will be played during the course of the Exhibition.

The Ministry of Agriculture recently completed over thirty educational films for display at the Fair, and has contracted the printing of hundreds of thousands of brochures, leaflets, drawings, plans, etc., of agricultural interest, for free distribution.

The Brazil Kennel Club has organised a Dog Show to take place in the Fair grounds on the 25th. and 26th., which is causing much interest locally. A recent Show in São Paulo was an unprecedented success; it appears that the average person who sees all sorts and shapes of peculiar dogs wandering the streets does not realise what thoroughbred animals can be, and is consequently delighted. Cash prizes and medals will be presented to winning owners for almost every breed.

The Ministry of Agriculture has announced that, apart from the Departments devoted to Fish, Poultry, Song-Birds, Dogs and Foxes, there will be 850 head of cattle, 150 horses 150 sheep, 32 asses or mules, 200 pigs, and some thousand poultry, rabbit, and miscellaneous exhibits. Shortly previous to the closing of entries on the 10th., 227 exhibitors had registered.

Perhaps the largest group of exhibits is that of São Paulo, consisting of 231 cattle, 68 horses, and other items, which will include show cases of most of the important Frigorificos in the State. If smaller, the Rio Grande do Sul exhibits are expected to be of greater interest; the cow "Ha" (erroneously called "Inca" in an earlier report) which forms part of this group, has just given birth to a male calf, and despite the usual decrease in lactation, produced just under 40 litres of milk on Thursday last. (N. B. This figure, actually 39.800 kilos, is official, and not a misprint). As the "Jornal do Commercio" truly remarked, with milk at 800 Reis a litre, this "golden cow" produces 12 Contos of milk yearly!

Another interesting entry will probably be that of the Cavalry Remount Station of the Army. Some very fine animals were imported recently, as previously announced, and it is rumoured that further arrivals are anticipated shortly, though it is not known if these are for exposition at the Fair.

Most of the Minas Geraes exhibits will be prize winners from the provincial Cattle Fairs held at Barbacena and Uberaba recently; also, some of the newly denominated Uberaba cattle, — a cross-bred race, as far as can be ascertained, half zebu, — are expected to be shown for the first time.

The Fish Department of the Fair has been well subscribed, there being up to Friday last over two hundred entries. Pirarucu from Amazonas are mentioned as an attraction, though the Manatee or Sea Cow from Pernambuco has not been entered.

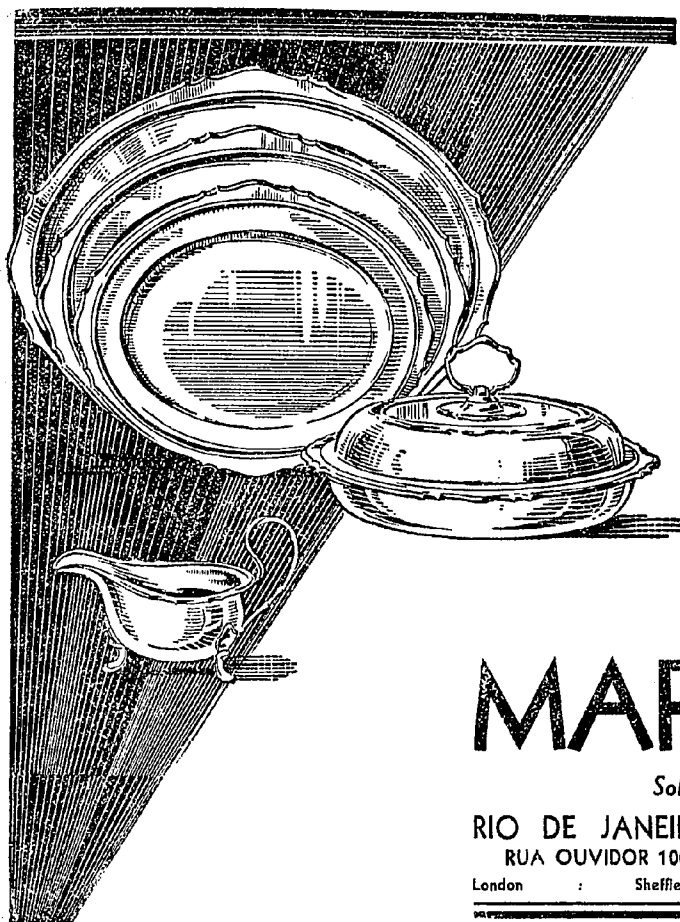
The Sericultural exhibit from the Barbacena Fair will be shown as an educational exposition demonstrative of the progression of this industry in Brazil.

The Trophies to be distributed are those which have been deposited in the safes of the National Society of Agriculture since 1922, and which were offered to the Ministry of Agriculture for the Fifth Exhibition. These have been supplemented by several others. The trophies are as follows

Causer Trophy, presented by Messrs. Hopkins, Causer & Hopkins, of this city, for the group of Cows producing the greatest quantity of milk.

British Chamber of Commerce in Brazil Trophy, presented for the finest group of cattle of British breed.

Cooper Trophy, presented by Messrs. William Cooper & Nephews, under conditions, presented for the heaviest exhibit of British breed.



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"O Garimpeiro" Bronze Trophy, offered by the Brazilian Meat Co., for the finest group of half-bred suckling-pigs born in Brazil, exhibited as such.

Companhia Swift to Brazil Trophy, for the finest Hereford bull born in the State of Rio Grande do Sul.

Trophy of the Stock Breeders' Association of Petropolis, for the finest head of cattle born in the municipality of Petropolis, irrespective of breed or sex.

Silver Medals, for the prize winning Shorthorn, Hereford, Devon, and Angus thoroughbreds offered by Messrs. Walter Noble, and Bungi Poels, importers.

The President of the Republic signed a Decree last week, authorising the credit of 800 Contos of Reis to the Army Flying Corps, for the acquisition of nationally constructed aeroplanes of the "Muniz 7" type which has proved so successful in tests.

The Minister of Transport has prorogued the expiration of the contract for the construction of the Airport of Santa Cruz, for another six months.

The Minister of Finance signed a regulation controlling the Custom's inspection of goods transported by air, the instructions being more or less the same as are applied to the Custom House serving maritime goods, the process being somewhat hastened.

The "Acrobrasil" Limitada has been authorised to construct a provisional hangar on the Airport of this Capital, in order to facilitate the commencement of commercial operation with a minimum of delay.

The new Pan American Airways line to the United States is to be inaugurated on Thursday next; this line will supplement that already in existence, and the terminal will be Rio de Janeiro.

A telegram from Berlin reports that, due to the authorisation granted by the Government of France for the Zeppelins to fly over French territory, the run to and from South America has been considerably shortened.

The payment of Rs.1:4000:000\$000 to the Luftschiffbau Zeppelin G. m. b. H. has been authorised, in consideration of work carried out on the Airship port at Santa Cruz, 6th. installment.

Central do
Brazil Rly.

The Director of the Central do Brazil Railway, Colonel Mendonça Lima, made a lengthy tour of inspection of the electrification work on the line, and was informed by the engineer of Messrs. Metropolitan-Vickers Export Co. Ltd. that the lines would be ready for traffic by January next year. The first carriages and locomotives are expected next month, and the necessary power would be furnished by The Rio de Janeiro Tramways, Light & Power, Co. Ltd., at least temporarily.

The Central Purchasing Commission has been authorised to obtain for the Railway, twenty portable forges with circular metal saws, and 100 gross of saws.

The Directorate of the Railway has authorised the

placing of a large show case containing products of the Northern States in the new station building, when this is ready.

Telephones

The General Council of the Federal District, investigating the request of the Telephone Company to alter the rates charged at present and institute a fixed limit of free calls per month, has not yet reached a definite ruling; in the justification submitted by the Company, there were clauses referring to the profits realised, and the amelioration of services provided an increased income was possible, the Council having decided that, for the sake of good order, the accounts of the Company should be reviewed by accountants of the Prefecture. This appears to be merely a formality.

Samples
Fair

The Ninth Annual International Samples Fair of Rio de Janeiro will be inaugurated during October, the Consultative Council having held several sessions already. The main topics discussed to date have been of a general character, touching on exhibits, amusements, catering, space, transport, etc. In the last connection, Dr. Lourival Fontes, Director of Propaganda of the Municipality, made an interesting suggestion which would permit of foreign exhibitors shipping their contributions on vessels of the Lloyd Brasileiro, at reduced rates. This would undoubtedly prove an attraction.

Naturally, the Fair is to be "bigger and better than ever".

D. N. C.

Notices of the Departamento Nacional do Café published during the past week have referred entirely to purchases of coffee. There is somewhat naturally a complete lull after the recent important occurrences, which will probably last a week or two. Only one complaint, and that utterly groundless, is reported in connection with the Despatch Regulations published last week; this emanates from São Paulo, it being maintained that the sacrifice quota is unconstitutional. This is, of course, ridiculous; contestation lies in the fact that the D. N. C. is autonomous.

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NORTZ COFFEE REPORT

JUNE, 26, 1936

June 23, 1936 May 23, 1936 June 23, 1935 June 23, 1934

Visible supply in U. S.:

Stocks and afloat, Brazil	928.000	980.000	831.000	860.000
Stocks, other kind	454.000	445.000	407.000	440.000
	1.382.000	1.425.000	1.238.000	1.300.000
Deliveries in U. S. since June 1	645.000	620.000	712.000	601.000
Arrivals of Milds since June 1	258.000	239.000	270.000	217.000
Exchange rate, Dollar (official rate)	11\$630	11\$630	11\$590	11\$560
Exchange rate, Dollar (free rate)	17\$300	17\$500	18\$210	.....

In our report of June 4th, Arrivals of Milds in Europe for 11 months should have read 5,120,000 bags, making Total Arrival of Milds 9,237,000 bags compared with 7,130,000 bags during the same period last season.

The conference in Rio de Janeiro for the purpose of deciding on a method of handling the coming Brazilian coffee crop with the help of a sacrifice quota, convened on June 6th, and disbanded two days ago. A statement of the final resolutions has just been made public, from which we gather that full discretionary power was left to the Departamento, together with the following recommendations:

- (1) That the financial debt of the Departamento should not be increased.
- (2) That coffee taxation should remain unchanged until such time as it might become possible to reduce rates.
- (3) That the equilibrium between Brazilian production and exports should be kept up by means of a sacrifice quota.

The coffees are to be taken over in the Interior and not at the ports, and the quantity thus acquired is to be destroyed.

Furthermore, we understand that producers of good qualities will be permitted to market their entire output, but in that case they will have to make good their sacrifice quota by the purchase of lower grades. The campaign for the production of finer grades will be left to the discretion of the Brazilian Minister of Agriculture. In this connection we may mention that Brazilian newspapers have been deploring the fact that up to now the campaign for better grades has not shown the anticipated results.

The extent of the sacrifice quota, and exact details concerning its handling, will be made known shortly. It will most probably amount to 25 or 30% of the coming crop, or say 6,000,000 bags. An initial payment of Rs: 3\$000 is foreseen, which is supposed to take care of the bagging and carting from the farm to the railroad station. In addition, it is expected that Rs: 10\$000 or Rs: 15\$000 will be paid for each bag of sacrificed coffee — the exact amount of this indemnity to depend upon the means available for the purpose. We understand that the Departamento is trying hard to induce the States, other than São Paulo, to relinquish their tax refund of Rs: 15\$000 per bag, to provide the necessary funds for these payments. Further details are not available at present, but it is safe to state that the foregoing program reflects the determination of Brazilians to carry on coffee defense without incurring any additional financial burden.

Another question arises in connection with these decisions — i.e., what will be the attitude of the Departamento towards those farmers who, profiting by a lesson learned three years ago, will retain a part of the coming crop in the hope of shipping it at some later date, when subsequent smaller crops may cause the abolition of the present sacrifice quota? Information received from the in-

terior of Brazil reveals that the prospect of a sacrifice quota has already started a lot of bickering, everyone trying to show reason why his crop should be exempt from such a quota. For instance, São Paulo's neighbors have always insisted that the present coffee dilemma is entirely due to her exaggerated increase in production, and even within that State itself, controversy runs high. Growers along the Mogyana who specialize in choice grades, point out that their output has been steadily decreasing over a number of years, and that they are certainly not responsible for overproduction. The western part of the State, with its countless new fazendas all of which are doing very well at present prices, insists on its right to produce as much as it can, even though this may mean cheaper prices. Spokesmen from that district go so far as to say that inasmuch as the old plantations are doomed anyway, there is no sense in trying to keep them alive through artificial restrictions.

Recent developments have caused many to readjust their view of the coffee situation. In some quarters the purchase of 4 million bags was heralded as the last step towards the coveted equilibrium, and there were even predictions that a reduction of taxation would soon follow. However, the trend seems to be in the opposite direction. Indications are now that the 4 million bag purchase was rather the inauguration of a series of artificial measures aiming at the continuation of higher prices, in the face of even larger production. Brazilian farmers themselves are fully aware that the strenuous efforts to protect them, being made by the Departamento, are again showing a tendency to complicate matters, and that this condition will grow as long as Brazil insists on eliminating the effect but not the cause of overproduction. Finally, the fact that Brazil destroyed but 40,000 bags of coffee during the past six weeks, has also been the cause of the most contradictory conjectures.

VICTORIA reports that the local trade has been heavily influenced, not to say upset, by the activities of the Departamento. In former years, producers in this district hurried their coffee to the port, and were willing to relinquish it at prices slightly below those paid in Rio de Janeiro for similar grades. This policy however, gave Victoria the distinction of not carrying over any sizable quantities of old crop coffee. This year, things have changed. The Departamento entirely stopped shipments from local warehouses in the interior for awhile, and at this writing permits but, 2,500 bags to be released daily. The artificial scarcity thus created has caused a strong advance in prices at a time when some 150,000 bags of old crop coffee will have to be carried over into the next campaign. It said that three quarters of this quantity is in the hands of one-

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firm known to be working in close connection with the Departamento. Local coffee planters for whose benefit these manipulations are said to be taking place, are especially bitter inasmuch as the entire operation began well after they had sold out their coffee, and consequently everyone benefited except the planters.

ETHIOPIA — We have heard that the Italian Government is trying, through private channels, to induce coffee laborers in Brazil, of Italian extraction, to settle in the newly conquered Colony. We understand that the Government is offering free transportation to Abyssinia, a certain quantity of free land, and some financial assistance. Full details are not available, such endeavors are being made with the utmost discretion. Those who know Ethiopia well, agree that the territory surrounding Lake Tana is admirably suited to the production of large quantities of coffee.

BELGIAN CONGO — We are informed that the Belgian Department of Colonies has discouraged the opening up of new plantations, as well as the expansion of those already existing. In spite of the serious efforts made during the past years, the Belgian Congo has been unable to produce marketable coffee. Last year 217,796 bags were imported into Belgium and this year the crop is estimated at 250,000 bags, all of which will be offered in Antwerp, in competition with low grade Brazilian coffee. The better grades of Congo coffee pay an import duty of only 4.50 Belgian Francs, as compared with 7 B. Fr. on other growths. However, while the lower grade Congo coffee is only taxed 2.50, it is difficult to find buyers for it, as it is highly undesirable, containing many black beans, and being extremely poor in the cup. Even the better grades are sometimes difficult to market. At this moment, some 40,000 bags of Congo coffees are said to be cluttering up the Belgian market. In view of this, it is thought that the Belgian authorities will take some action — probably the first step will be to prohibit the exportation of low grades from the Belgian Congo.

Complaints of abnormal weather have come from the various countries surrounding the Caribbean Sea. In Colombia and Central America, we hear that there has been a prolonged drought instead of the rains which are customary at this time of the year. The selling of seedlings in the nurseries has therefore been delayed in many places.

Advices from Colombia state that there has been no rain to speak of, and that the long spell of hot weather is unprecedented. Panama reports the hottest May for 33 years. On the other hand, reports from Haiti and Santo Domingo are to the effect that rains have been heavier and of longer duration than is usual, delaying the markets of the tail end of the crop. However, this turned out to be much smaller than anticipated.

The cost and freight market has been very steady— Santos 4's continue to be offered at 8.30c./8.40c. Santos 4/5's which a short time ago sold at 7½c. have firmed up quite a lot, and are now quoted at 8c. with sellers little inclined to make concessions. Small business has been reported in Victoria 7/8's at 6.10c. These grades too have suffered from the competition of cheap offers by Java of unwashed Robustas at 8.20/8.30c. as well as West Coast Africans at from 5¼ to 5½c. cost and freight. The recent apathy in the trade would indicate that our roasters are well supplied for their immediate requirements. However, of late they are showing quite some interest in the more remote shipments of milds, and Manizales coffees for September shipment have been traded at around the 10½/10¾c. level. Offers from Maracaibo have been withheld for a week, due to the strike at that Port. The trouble was settled before it attained large proportions and it is said that there was no delay in shipments. Of late there has been quite some interest in old crop Maracaibo — business has been done at done at from 9¾c. upward.

The prolonged absence of definite news from Brazil, as well as the approach of the first notice day for July with its attendant liquidation, has had an adverse effect on the market. Whilst the Santos contract stood up pretty well, heavy sales in the Rio contract forced prices down to 4.24c. the lowest quotation on record in 33 years. On the other hand, Brazil did not respond to this weakness — her recent decisions seem rather to be aimed at maintaining the present statistical position where it is, or even improving it. The majority of mild crops being disposed of, no undue pressure is expected from that source. We therefore would not be surprised to see a gradual improvement in the market, once the present liquidation is out of the way.

Brazil Quotations—	June 24	June 3
Santos 4s, Cost & Freight	8.30-8.50	8.15-8.55
Santos 4s, Spot	8¾-8¾	8¾-8¾
Rios 7s, Cost & Freight	6.40	6.40
Rio 7s, Spot	6.¾	6¾
Java Robusta—		
Washed, Cost & Freight	7½	7½
Washed, Spot		
Maracaibo—		
Trujillo	6¾	6½
Fair to Good	7¼-7½	7¼-7½
Cucuta, Washed	10¼-10½	9½
La Guayra—		
Caracas, Washed	10	10
Puerto Cabello	6¾	6¾
Puerto Cabello, Washed	9	9
*Nominal		

	June 24	June 3
Colombian—		
Bogota, Good Washed	10	10
Manizales Excelso	10¼	10¼
Medellin Excelso	11	11
Central America—		
Guatemala, Good Washed	9	9
San Salvador, Washed, Firsts	9¾	9¾
San Salvador, Washed, Seconds	9	8¾
Mexican—		
Cordoba, Washed	9½	9¼
Tapachula	8¾	8¾
Coatepec	10¾	10¾
Haiti—		
Hand picked, Choice	8½	8½
Jamaica—		
Good Ordinary	7-7½	7-7½

We quote:

CONTRACT "A" (RIO)—OLD:	July	Sept.	Dec.	Mar.	May 1937
June 25	4.24/25	4.40	4.60	4.76	....
June 3	4.57	4.71	4.85	4.92	....
CONTRACT "A" (RIO)—NEW:					
June 25	5.17	5.32	5.50	5.61	5.68
June 3	5.48	5.63	5.78	5.87	5.95
CONTRACT "D" (SANTOS):					
June 25	8.09	8.25/26	8.39	8.46	8.53
June 3	8.20	8.33	8.45/46	8.52/53	8.57

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Mens Sana in Corpore Sano

London and its Work for Tropical Diseases

The following article is reprinted in full from "TROPICAL LIFE" — June-July, 1936.

We once knew a religious fanatic who claimed that disease and illness was sent only to the sinful, or that without sin there would be no sickness. No wonder the dignitaries of the Church are finding that their pews are not filled.

There is far more help offered and given to the world and especially to the world through which this paper circulates, to come and be saved from disease and so made less prone to go slack in one's work if one lives in the "atmosphere", at home and overseas of the London School of Hygiene and Tropical Medicine working with the Ross Institute of Tropical Medicine, than will ever be forthcoming from all the churches and religious bodies in the country, and why? Because those who are responsible for the work done by these combined institutions do not talk, but act. Their influence and the good they do is not all talk but seen and felt everywhere where their arms of healing and mercy reach out to; the only pity being that those arms for want of funds cannot reach out and collect in as many as they must do if they are to make the world healthy and so better and more helpful. The writer never did have much opinion for those misguided but kindly souls who pour "millions" into the pockets of the missionary societies whilst leaving such concerns as these combined tropical schools and hospitals panting for thousands only. When will this dull, stupid, but very kindly old England realize that if you really want to enable natives and whites to live healthy, decent lives amidst the trying conditions with which they are surrounded, you must first and last make them and keep them healthy and vigorous like school children, soldiers and other large bodies of people on this side. If the millions that have gone into the exchequers of the missionary societies, salvation army centres and the like, had been devoted to tropical medicine, to hospitals and travelling research workers and the like, how much healthier and happier everyone would be. Probably all these horrible tropical diseases would have been under complete control by now. £50,000 placed at the disposal of Mr. Swynnerton in Africa would probably clear the world of the Tsetse fly for ever; certainly £100,000 would. If this were diverted from the millions mentioned above, a few individuals might miss it, but the tropics would be ten times better off in every way. Things will continue to be unsatisfactory until the public give and leave their money to those without whose help and work, life in hot climates can never be as it should be and would be if supported by the necessary funds. If we must insist on putting garments on natives who are far better without them, do let us at least first see that the bodies to be covered are clean and healthy and then if there is any money left, let us think about some clothes but not before.

Is it, one must ask, better for the world to spend hundreds if not thousands on a church and a minister (with family) than to finance medical centres to fight leprosy or what are known as the helminth diseases, so very prevalent in the tropics, especially in tropical agricultural countries. The answer can only be: most certainly not, whether it be a matter of white, black or brown skins; so why do it?

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These (helminth) diseases are characterized by their slow and insidious onset; they cause serious economic losses by the way in which they gradually undermine the health of the workers, and also (an important matter) of animals. Think of filariasis, elephantiasis, eyeworm, guinea-worm trouble, hookworm and sleepy sickness, to mention only a few. Perhaps if we included photographs of the lesions caused by the guinea-worm, to mention but one of the troubles, our readers would agree with us that it would be far better to spend money on making the people healthy than on anything else. Far more genuine religion would then be generated than can ever be looked for from owner of ulcerous feet, or eyes invaded by worms two inches long, and yet these are only a couple of the troubles by no means the most loathsome that are being encouraged by the ignorance of kindly people who believe that church and clothes will keep the world healthier and happier than the attentions of the hospital and of men with Dr. before their names instead of Rev. The world is all right, but it wants to learn unpalatable truths from the hospital wards and from the victims overseas rather than the sugary vapouring of the missionary platforms, if the money they give or leave behind them is to alleviate suffering and misery and make people better in body and then in mind than can possibly be done to-day with the money spent as it is being done.

Would that all our readers could have been present on "Mosquito Day", at the Manson-Ross luncheon on May 13th, the birthday of Sir Ronald Ross when Sir Austen Chamberlain, M. P., spoke up so ably of the work of these great twinbrethren, and the Poet Laureate Mr. John Masefield a twenty-five year old friend of Ross spoke of his work and views that, given less disease, there would be far less crime, trouble and misery. It is the diseases that cause much of the crime in the tropics, so let us tackle that first. If you think, the case has been exaggerated write to Major Lockwood Stevens, organising secretary of the Ross Institute, Keppel Street, W. C. and let him tell you the full story of the work being done and need for funds to continue and extend it. Please do so and see when dispensing your charity you liberally support the Tropical Medical centres first, as without that help one cannot make the people healthy and so be able to be decent, useful folks. Then, what is left over will be ample to enable the masses, if made healthy, to prove ideal church-goers or religious members of the Community to the full.

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LONDON FINANCIAL POSITION

JULY, 3rd. 1936.

No undue pressure for money was experienced at the end of the half year, and market discount rates have now reverted to the level that prevailed prior to the recent scare that we were in for a period of dear credit. The Bank of England continues to buy gold in large amounts from the Exchange Fund in order to meet the increase in the note circulation, now at the record high figure of £439,642,000. The gold purchases this year total £21,035,592, and the coin and bullion has reached £222,600,000 — also a high record. It is understood that the latest expansion in the note circulation is not due to foreign hoarding, but to increased home demands for holiday purposes and as a result of trade activity and fuller employment. The exact significance of the gold purchases in their bearing upon the credit situation is not easy to understand, especially as an increase in the issue of Government Treasury Bills is apparently involved, and this may mean a measure of inflation, such as advocated in more than one quarter.

Evidently the gold drain from the Banque de France has ceased, the last return of that institution showing a moderate increase, while the next is expected to indicate a bigger improvement. In part, however, the increase is due to exports from London. France is calmer now, but the extent of the improvement there will be better indicated when the result of the issue of short term bonds for small sums is known.

Fluctuations in the foreign exchanges have been much less violent of late, but a depreciation of Argentine pesos in the unofficial market has not passed unnoticed. The depreciation is attributed to the smaller movement of crops, especially maize, which is said to have been damaged by rains.

Although the fear of a period of dearer money has disappeared, there has been no buoyancy in gilt-edge securities. One reason for this is that a resumption of Municipal borrowing or rather the issue of loans to convert existing debt — is expected shortly. The market has also been affected by a severe fall in New Zealand Government securities caused by the Prime Minister's statement that an attempt will be made to induce the bondholders to agree to a reduction in their interest rate. The ostensible reason for this proposal is that New Zealand is paying more than is justified by the generally low level of interest rates, and that the burden is increased by the fall in commodity prices and the depreciation of the New Zealand currency in terms of sterling. With respect to the latter, it may be remarked that the depreciation was deliberately adopted by New Zealand in order to help the industries of the Dominion. If there is any justification for the Government attitude New Zealand should increase the return to bondholders when interest rates rise. The market for New Zealand Government securities became more or less nominal. Following the threat of Alberta Province and one or two Canadian municipalities to carry compulsory schemes for the reduction of interest rates, the episode has created an unpleasant impression, especially as the credit of New Zealand has hitherto stood exceptionally high in the London market.

Little movement has taken place in Brazilian Government and railway securities, but the latter are rather easier. Argentine rails are lower on the exchange position. Bank of London & South America shares continue very firm, and it is possible that some development in con-

nection with this institution will be announced before long. As had been generally expected, the interim dividends of the English banks and discount companies are the same as before, though it is probable that the first half of 1936 gave the banks better results than before. Increased dividends are almost restricted to industrial undertakings, and in such cases they are fairly numerous. Some companies, such as Swan Hunter, the Shipbuilders and engineers, are resuming interim payments after a long interval, and one or two companies have declared the first ordinary dividend for several years past. It is not surprising, therefore, that the market for such issues shows more sustained firmness than any other. The activity is encouraged somewhat by the declaration or anticipation of capital bonuses, a method of finance adversely criticised lately by the Chairman of the General Electric Company. Share bonus expectations largely explain such a quotation as 85s. to 87s. for the 5s. shares of Crompton Parkinson, electrical engineers. At this figure a yield from the 12½ per cent dividend paid on the last occasion is almost negligible, but that dividend was accompanied by a share bonus of 107 per cent, and evidently there is an idea that something of the sort will be repeated.

Rubber shares are a better market, for it is believed that the improving statistical position of the commodity will be reflected in a considerably higher price for rubber. That, of course, would make a big difference to producers' profits. In mines activity largely centres in shares of South African companies in the developing stage, and especially of companies interested in opening up what the experts say will prove to be another important goldfield — possibly an entirely new Rand.

There is still considerable activity in new capital issues of an industrial character, encouraged of course by the prosperous conditions in the engineering, aircraft and allied trades. For the most part the offers are well received, and usually the new shares command a more or less substantial premium. Probably the movement represents to some extent a desire to dispose of businesses while the going is good.

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LONDON PRODUCE NOTES

LONDON, July, 3rd. 1936

SUGAR — On the London Produce Markets the sugar section has again experienced a week of declining prices. There has been a fair amount of liquidation in the August position on the Terminal market, while offerings of raws have been more than sufficient to meet the requirements of refiners. Full duty and preferential raws, 96 per cent, sold down to the basis of 4/3 3/4d per cwt. c. i. f. U.K. with further quantities offered at that price. Refiners reported a slow demand for whites and two reductions of 1 1/2 per cwt., failed to stimulate the trade orders. The local and Continental beet crops are reported to be satisfactory, although in some districts the growth is backward.

RUBBER — The feature in the plantation rubber market has been the good trade demand, chiefly for spot and near positions and business was reported up to 7 11/16d. per lb. for smoked sheet spot, with further buyers thereat, which marks the highest price for about six years. There has also been a fairly good business on c. i. f. terms to Continent and the United States. The statistical position continues to improve and during the first five months of the current year, world stocks declined by 87,166 tons. Consumption for the same period was estimated at 406,351 tons against 403,325 tons during Jan/May 1935. It must be remembered, however, that consumption in American suffered during the early months of this year owing to the strike in the tyre factories.

TEA — A brisk tone prevailed at the auctions of Indian teas and prices were fully maintained. Ceylon sorts also met with good competition and prices, where changed, went in sellers favour. Some of the parcels showed improvement in quality and these were appreciated by buyers.

COCOA — The market for cocoa was quiet but an early decline in values was made good on higher advices from New York.

JUTE — The Official preliminary acreage forecast of the area under jute in Indian is again being issued in sections spread over several days. Up to the present the acreage of the districts covered is showing an increase over last year of just over 10 per cent. Generally speaking the increase was about as expected, but values declined at first, chiefly on lack of interest. The market steadied later

L. V. Le Coeq d'Oliveira

LEGAL & TECHNICAL TRANSLATIONS

English-Portuguese

Portuguese-English

c/o Wileman's Brazilian Review

at the lower levels. The complete forecast is not expected until the middle of next week. First marks, old crop, sold down to £16.15.0 and new crop to £17, while new Lightnings changed hands at £16, per ton, c. i. f.

COFFEE — The offerings at the London coffee auctions were small. Demand continued quiet, but where sold, parcels made steady prices.

TIMBER — There as only a quiet demand for mahogany, during the past week but an active trade was experienced in oak from various sources. There were moderate offerings of jarrah from Australia, together with larger supplies of teak planks, boards and scantlings from Rangoon. The market for American hardwoods was rather quiet as the ideas of English importers and American shippers are still rather wide apart. A firm market continues for Russian and Scandinavian wood.

FRUIT — Oranges were in fair request; Brazilian, Navels, 96/100, 9s.6d. to 9s.9d.; 112, 10s. to 10s.3d.; 126, 10s. to 11s.; 150, 10s. to 11s., 17, 10s.6d. to 12s.; 200, 11s. to 13s.; 216, 11s. to 13s.3d.; 252, 11s. to 13s.; Peras, 150, 10s. to 11s.; 176, 10s.6d. to 11s.6d.; 200, 10s.6d. to 11s.; 252, 10s.6d. to 11s.6d. to 11s.6d.; 288, 10s.6d. to 11s.6d. South African, Navels, 96/112, 8s. to 9s.6d.; 126, 8s. to 9s.6d.; 252, 10s.3d. to 11s.6d. Bananas in steady demand; Canary 11s. to 16s. per crate; Brazilian, 7s. to 7s.6d. per 10 dozen. Grapefruit; Brazilian, 54, 11s.6d. 64, 8s. to 13s.; 70, 11s.6d. to 14s.6d., and 30/96, 12s.6d. to 15s.6d. Imports from Brazil last week included 57,000 bunches of bananas, 78,000 boxes of oranges, and 9,000 boxes of grapefruit.

HIDES — Business was rather irregular but prices remained about steady. In dry River Plates, B. A. Americas sold at 6 7/16d., with B. A. Anchors ruling at 5 5/8d., B. A. Inservibles at 4 3/4d., Chubuts at 6 9/16d., and Sierra Cordobas at 6 7/8d., per lb. Some Cuyabanos sold at 6 3/16d. L. W., and further business in salted Brazils included Mendes seconds at 3 3/4d., and firsts at 4 1/4d. Unbathed Adis Abebas were nominally quoted 6 1/4d. per lb.



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PORTO ALEGRE

316 Vol. da Patria

THIRTY FIVE YEARS AGO

Extract from "The Brazilian Review" of
July 16th., 1901

— The Amazonas Navigation Company has received Rs. 30:0688 on account of the subvention for the month of March.

— A contract has been entered into between the Treasury and Messrs. Haupt, Behn & Co. for the coinage of 161,250,000 nickel coins of the denomination 100, 200, and 400, Reis, and value 30.000:000S.

— The War Department is about to undertake the surveys and construction of a strategic line of railway from Uruguayana to Inhandubny, utilizing for that purpose the 2nd. Battalion of Engineers at present at Rio Pardo. If the line is to be made military, it is scarcely venturesome to predict that it will never get much further than the surveys.

— The Bahia and São Francisco Railway, lately taken over from the English Company of that name, has, since the first of the current month, been worked on Government account by engineers Alencar Lima and Australiano de Carvalho under a provisional lease.

— The following announcement has appeared in the London papers: "Messrs. N. M. Rothschild and Sons announce the payment in cash of the July dividend on the Brazilian Four and a half Percent Loan of 1879, and as for the last three years all coupons have been paid in Funding Bonds, this marks the termination of the Funding scheme, which comes to an end on the 30th. inst., after which payments will be resumed in specie".

— Cold storage cars are now being run between São Paulo and Rio on the Central Railway, as an experiment, and will be continued should the results prove satisfactory.

— The Department of Agriculture in São Paulo is giving away tobacco and other seeds to farmers on application.

EXCHANGE:

£ — 21\$011
\$ — 4\$513

— Coffee loaded for the crop up to July 12th. —
302,385 bags

EXCHANGE: —

Steady throughout the week, the Bank buying export bills at:

	Sterling	Dollars
Official rate	Rs. 57\$540	Rs. 11\$590
Free rate	Rs. 87\$000	Rs. 17\$300

CORREA RIBEIRO & CIA.

BAHIA COCOA MARKET REPORT

BAHIA, 3rd. July, 1936

STATISTICS: — (Provisional)

	— Bags —
June — Stock on 31st. May	27.783
Arrivals in June	73.774

	101.557
Shipments ditto	63.349

	38.208
July — Arrivals on 1st & 2nd inst.	1.400 39.608
Shipments ditto ditto	9.500

Stock on 2nd Instant	30.108

ILHÉOS: —

The s/s "Orania" loaded in Ilhéos 28,500 bags and is now waiting for high tide in order to leave that port. The s/s "Bencas" and the s/s "Helle" are now loading in Ilhéos and the s/s "Scotia" has already arrived there and will start loading as soon as one of the others sails. We estimate stocks in Ilhéos, ashore and afloat including s/s "Orania", to amount to about 50,000 bags.

CROP & WEATHER: —

There have been storms and heavy rains in nearly all producing districts and this is prejudicing the plucking, preparation and transports (land, river and ocean). The bad weather now prevailing is bound to damage the flowering for the Main crop, and to a certain extent the Middle crop too. Opinions differ somewhat according to the district, and even the information we have been able to obtain from farmers, although in some cases even neighbours are rather conflicting; but in the long run there is no getting away from the fact that recent developments are not normal and certainly not advantageous to the crop in general, from now to the very end. As we said above, it is bound to affect the crop in a general way.

MARKET & PRICES: —

Prices here and in the Interior continue high and the market has remained firm all the time, the recent reactions of quotations on the New York Cocoa Exchange, having not had any influence whatever on the general feeling here. No one will sell unless at 20 to 30 points above New York present parities, with very few exceptions of those who are comfortably long. The bigger shippers are not offering as far as we know.

QUOTATIONS: —

There has been no alteration in quotations since our last report of the 26th. ultimo, and the rates of Exchange too are about the same as reported last week.

We quote on Superior, current quality, to day as follows:

c. & f. N. York	sht. this year	6¼ cts. to 63/16 cts.
		per lb.
	sht. Jan./Mar.	6¼ cts. per lb.
c. & f. Ams'dam	sht. this year	28/3 to 28/6 per 50 kls.
	sht. Jan./Mar.	29/- per 50 kilos
c. i. f. B. Aires	sht. July/Sept.	m\$ 4750 to 48. p.100 ks
Italy	do.	Lit - 85, per 50 kilos
		f. o. b. Bahia.

(Continued at foot of previous column)

COFFEE, PAST AND PRESENT

A RETROSPECT OF THE INDUSTRY IN BRAZIL BY DR. AUGUSTO RAMOS, PRESIDENT OF THE INTERNATIONAL CHAMBER OF COMMERCE OF BRAZIL, AND TRANSLATED BY SPECIAL KIND PERMISSION, — FOLLOWED BY A COMMENTARY ON MORE MODERN TOPICS GATHERED FROM VARIOUS SOURCES

EARLY DAYS & DEVELOPEMENT

No one is quite sure as to the date when coffee was first introduced into Brazil; it is, however, supposed to have been brought to this country some time in the first half of the Eighteenth Century, having already become known almost all over Europe.

Coffee is generally supposed to be of Abyssinian origin, and was first grown in Brazil in the extreme north of the country, being imported from the Guianas. The coffee tree first found conditions favourable to its growth in the so-called "Lowlands" between the Serra do Mar mountains and the Ocean. But even here the climate was not as suitable as might reasonably be expected, and the planters were obliged to move up to the Plateau, or "Highlands" at an altitude of more than 200 meters.

After this, the plantations began to spread out to the North and North-West, — to the regions now known as the States of Rio de Janeiro and Minas Geraes, — spreading also to the South towards the State of São Paulo. The farther the planters worked towards São Paulo, the better climatic conditions they encountered.

Up to almost the middle of the Nineteenth Century all the coffee grown in these regions was exported through the Port of Rio de Janeiro, there being no other suitable seaport. The difficulties of transport also counteracted the production, imposing strict limitations.

Slowly but surely, coffee began to be exported via the Port of Santos, and in 1850 statistics show us that 250,000 bags of coffee, each bag weighing 60 kilos, passed through this port. In the same year 2,000,000 sacks of coffee were exported via the Port of Rio de Janeiro.

From 1850 on, the areas devoted to the plantation of coffee continued to increase in extent, and the industry became one of the greatest sources of revenue in the Provinces (today States) of São Paulo, Minas Geraes, and Rio de Janeiro. This was principally true of the States of Minas Geraes and Rio de Janeiro, where, in the 1870/1880 decade, the coffee production reached 3,000,000 bags.

From this date on, however, the construction of the São Paulo Railway, known as the "Linha Inglesa", (English Line), began to make its effects felt. In 1867 this railway linked the Port of Santos with the incomparable coffee regions extending through Campinas, Limeira, Araras, Rio Claro and other municipalities, which were becoming well covered with coffee plantations. In this way Rio de Janeiro forcibly lost its position as the principal coffee exporting port in Brazil, definitely losing this position after the 1890/91 harvest.

A great contrast is noticed henceforward between the São Paulo region, using the Port of Santos, and the Rio de Janeiro-Minas Geraes region, whose outlet was the great Port of Rio de Janeiro. The States of Minas Geraes and Rio de Janeiro did not greatly increase their respective coffee production, only managing to obtain means of trans-

portation through the help which the Union Government afforded, either directly or indirectly. Later a large number of the Minas Geraes and Rio de Janeiro coffee plantations disappeared, having been generally turned into cattle ranches and pasture lands.

In the State of São Paulo, conditions are found to have been quite different. In the old Campinas municipalities, and those of the immediate neighbourhood, the old plantations are still operating today, new farms having spread over the whole State, particularly towards the North-West, where the Minas Geraes boundaries have been crossed; the same spread is noticed towards the boundaries of Paraná and Matto Grosso.

The above considerations naturally reacted on statistics, proving beyond doubt the retrogression of Rio de Janeiro and progression of Santos as the main port of shipment abroad. The outstanding features are confirmed by the fact that in 1921, the total export from Rio was more or less the same as in 1880, whereas Santos exports which at this time did not exceed two million bags, had increased to over three million.

The coffee plantations continued to spread out reaching the States of Espírito Santo, Bahia, Pernambuco, and Ceará, in the first two becoming quite an important industry, especially in the High lands, which became covered with coffee trees, the planters attempting in this way to combat the climatic conditions that became more severe nearer the Equator. The same also happened in the States of Bahia and Espírito Santo. In Mexico, Central America, Colombia, and Venezuela, the same system is followed, the planters trying to combat unfavourable climatic conditions planting their coffee in the highlands. In these countries it would be impossible to grow coffee if it were not planted in the mountainous regions, owing to the proximity to the hot and sultry Equatorial zones. This planting of the coffee trees has given to the High Lands round the Equator the aspect of a beautiful green mantle, transforming completely the otherwise rough and lonely regions of the Andean Range.

The difference in Brazil between the hot climate of the regions that extend from the North and North West of the State of São Paulo towards the Equator, and the undulating Plateau in the interior of the State, where the land is profoundly porous and fertile, explains clearly enough the reason why coffee exportation via the port of Rio de Janeiro came to a standstill, notwithstanding the fact that the port of the Brazilian Capital is served by thousands of kilometres of railways.

This makes even greater the contrast between the paralysis of the coffee exportations via the port of Rio de Janeiro and the formidable increase in the quantity of coffee exported via the port of Santos. The stream of this Brazilian product passing through Santos has resulted in the beautifying and development of the State of São Paulo, increasing its railway mileage, and culture has reaped the full benefit of the effects produced by these causes.

PLANTING, PICKING & PREPARATION

With rare exceptions coffee, has up to now been planted in Brazil, in bush country or even more frequently, in the virgin forests, immediately after clearings have been made and the tree stumps burned. Most of these coffee plantations were started in the hills, or in chains along the mountain ranges. In the bush regions the planters carefully avoided the Lowlands in order to escape the dampness that roll down from the mountains; in the undulating regions, like those of the State of São Paulo, the planters preferred the hills, because these offer relative protection against the frost that falls, especially in the Lowland districts.

The best climate for the coffee plantations is that found between 20th. and 24th. parallels, where the lands reach heights varying between 400 and 2,000 meters. This is the coffee-growing zone of the State of São Paulo, and produces more coffee — and of better quality — than any coffee growing region in the world.

The coffee tree is grown from seeds planted in beds prepared for it, or from shoots of coffee trees of from one to two years old, previously grown in the shade of the large coffee trees, or in tins especially made for the purpose. However, with the exception of the State of São Paulo, the cuttings used for transplanting are not previously and especially grown for the purpose, but are taken from the trees that have grown up by themselves, which are found here and there among the older trees, in whose shade they grow up, having germinated from the berries dropped at harvest time.

This system is condemned but unfortunately has become generalised. In the State of São Paulo the majority of new trees are all planted at the same time from seeds or coffee beans which are placed in the bed chosen as a site for the new coffee tree. The seeds are covered with a little light earth, and protected from showers and frost by means of a small earthen bank built up around bed, which is then further protected by means of sticks or corn stalks, care being taken not to stop the passages of air in the interior of the opening. This is generally about 30 or 40 centimetres in diameter and depth, and is opened up with a special shovel.

This is the process generally preferred, but some more up to date planters grow special trees from which, in the proper season, they transplant to small receptacles the still tender seedlings, chosen from among the best grown. These seedlings are afterwards placed in the beds where in a short space of time, they become fine coffee trees.

The coffee tree grows with relative rapidity, so that at the age of six years full growth is attained. However at four years of age the tree produces a little coffee, and in the best districts of the State of São Paulo trees have been known to produce at three years of age.

In the principle coffee growing States of Brazil the coffee is generally harvested between May and September. Sometimes however, owing to an insufficient number of hands, or for other reasons, harvest is begun in April and continued until October. Undoubtedly this is wrong, because in April the fruit is not sufficiently ripe, and in October not only do the rains make the work more difficult, injuring the quality of the product, but the flowers and the small fruits of the future harvest are inevitably damaged.

In the mountainous regions, the coffee is harvested by means of sieves, hanging from the neck of the farm hands. Having their hands free, the labourers tear the coffee berries from the branches. The berries fall into the sieves, and when these are full the contents are emptied into sacks, or other receptacles, and loaded on to a conveyance which transports them to the coffee-preparing dépôt.

In the undulating lands, principally in the State of S. Paulo, the sieves are generally substituted by cotton cloths of from 4 to 5 meters in length and from 2 to 2½ meters wide. One of these cloths is extended under each coffee tree, so that the berries thrown down by the farm hand all fall into the same cloth, — as a general rule the beans are immediately afterwards emptied into sacks.

On every Brazilian plantation all the berries are harvested from each tree at one picking, and as a result of this the cherries, (so called due to their colour) the unripe or green berries, and dry ones, are all picked together, as all the berries never get ripe at the same time on any one tree.

In Spanish America, (i. e. the countries of Spanish origin on the American Continent), the trees are picked several times each harvest, only the ripe berries being chosen at each picking, the others being left to ripen while they await their turn to be picked.

The reason for this is that in these countries the ripening process is much more irregular than in Brazil, and if all the berries were picked at the same time from each tree, the fact of the great majority being green or unripe would, after preparation of same, produce a very poor quality of coffee. In Brazil, as we have said, there is also a difference in the ripeness but on a much smaller scale, the ripe and dry berries strongly predominating over the green or unripe ones. In this way the product suffers very little.

In Spanish America, all the berries gathered in are sent to separating machines, which are more or less perfect, but in Brazil only a part of the harvest is sent to these machines, because the majority of the plantations do not possess any. Sometimes even, the plantations have no water for industrial purposes. (NOTE. These defects have since been reduced to a minimum by the Departamento Nacional do Café).

Being harvested only when ripe, and immediately afterwards turned into the separating machine, the Spanish American coffee is of better quality and more agreeable taste. In Brazil, as has been said, most of the coffee, not going through the improving process, furnishes a stronger and more bitter product, which is sold at cheaper prices, the greater part being sent to the United States, while the coffee of Spanish America is sold, almost exclusively, in Hamburg, Frankfort, and London.

In Brazil the coffee separating process is carried out by means of copper lined cylinders that run continually, rubbing the coffee berries against a metal bar covered with rubber. The ripe berries, under the pressure of the cylinder and bar, shoot out underneath the rubber, having been properly hulled by this process. The green berries, being very hard, also shoot out underneath the rubber, without suffering damage, and can in this way be separated, as coffee of an inferior quality. The green beans are then dried separately from the others.

The hulled beans, while still moist, are fermented in tanks during 24 or 36 hours (depending on the surrounding atmospheric temperature). During the time the beans remain in the tanks, they are stirred up until all their stiffness is lost. Afterwards the beans are either placed in the mechanical dryers, — very much used in other South American producing countries but not very well known in Brazil, — or are spread out on the drying grounds, and there dried in the sun. The drying grounds are paved with bricks or cement.

A more preferable way to dry the beans is in the mechanical dryers. The dried up beans float on the surface of the water and are in this way easily separated and dried by themselves, without passing through the hulling machines.

The coffee, whatever may be its state, whether hulled and dried or in the hull and dried up, — is then placed in proper machinery to finish preparation, that is to say, to remove the skin and hull and to polish or linge it. The same machinery also classifies the beans according to their respective size, and removes the black beans and different imperfections. (In Spanish America, the black beans and impurities are removed by hand). Afterwards the coffee is put into jute sacks, which, when full weigh 60 kilos, being then ready for export.

In some regions the coffee trees grow to a height of from 3 to 4 metres, and sometimes even 5 metres, according to the region. They are planted in parallel lines, at a distance of from 4 to 5 metres apart, and the same distance between the trees in each line.

The best coffee growing soil produces as much as 150 "Arrobas" (the "Arroba" weights 32 lbs.) for every 1,000 coffee trees, production sometimes, but rarely, reaching as much as 200 or more Arrobas for the same number of trees. This is in the State of São Paulo. However in the neighbouring State of Rio de Janeiro the production drops down to 30 Arrobas, or even less, the average production in this State being from 50 to 60 Arrobas for every 1,000 trees. In the other coffee producing States, the soil seldom attains the maximum production of 60 Arrobas per 1,000 trees, and in many localities the production drops down to 10 Arrobas, with an average in the whole State of, perhaps, not more than 20 Arrobas. It must be remembered however, that in these less favoured regions, the distance adopted between the trees, is of from 2½ to 3½ metres only.

In Brazil at least 90% of the coffee planted is of the kind known as "Creoule" or "Common", and "Bourbon". Both these varieties belong to the specie denominated "Arabica L.", to which also belong other varieties, experimented on a very small scale, such as the "Murta", "Java" and the "Botucatu" (yellow).

In the State of São Paulo the "Bourbon" type predominates, notwithstanding the fact that quite a lot of the "Creoule" type is grown, especially in the outlying coffee zones. In the States of Minas Geraes, Espirito Santo, and Bahia, the "Creoule" type predominates. The general opinion is that the "Bourbon" type produces a more abundant harvest, but does not last so long as the others. In any case there are not sufficient statistics on the subject to permit of a fair judgment.

The coffee tree flowers three times a year, but only gives one crop. When the trees are in flower the plantations, early in the morning are clothed in white, as if covered with snow, giving out a most delicious scent. The scene is beyond description, being of such rare beauty, especially on the gentle slopes of the State of São Paulo, where this marvellous ocean of white blooms is so vast, that a true conception is impossible. The scene is truly marvellous, never to be forgotten.

The following day the flowers begin to turn black, and a little later commence falling. If there is much rain on the day the flowers bloom, they are damaged, sometimes completely. As stated above, the coffee trees flower three times a year, in the months of September, October and November, and in March the first ripe berries begin to appear. From March on, the ripe berries increase in number, until in April or May there are more ripe than green, showing in this way that the harvest time has arrived.

By this time, the berries that ripened first are dried up, and are picked at the same time as the others. It may be said that in Brazil, in the best coffee growing regions, there is nothing capable of destroying the crop. Up to now the terrible "hemileia", which has so greatly devas-

lated crops in the East, has not made its appearances in Brazil.

In the mountainous regions, the coffee tree does not live more than 15 years,—that is to say it does not give a profitable crop after that period. The same is true of the trees in Spanish America. In the best S. Paulo regions the trees last 30, 40, 60 years or even more, according to the care taken over them, and the quality of the original seeds.

It is a good policy to clean each "talhão" immediately after the trees have been picked. (A "talhão" is a division of the plantation containing 4, 6, or 7,000 trees, having as its limits the passages or roads through which the vehicles that remove the crop pass. To clean, in this case, means to break off the dead branches of the coffee trees, and those showing but little life).

Sometimes there are frosts in São Paulo, but these rarely cause great damage. However the frosts of 1918 were as bad as any known in the State, and destroyed about 20% of the trees, and in the majority of the other cases caused damage to future crops for one or two years.

The system adopted in growing coffee is not the same one every where. In São Paulo, where almost all the plantation hands are foreigners or descendants of foreigners, the cultivation and care of the plantations is sometimes carried out directly by the owners, but is mostly done by contract, the contractor generally being a plantation hand, who, besides receiving a regular salary for his services, also obtains the right to the fruit, meaning crop, produced in the fourth year. This greatly encourages the plantation contractor to take the greatest care of the coffee trees, in order to make them produce early. The owner also profits, because the new plantation is turned over to him in such a state as to last a long time and produce heavy crops.

There is also another system used, that of the five year contracts by which the plantation contractor receives no salary, but is entitled to all coffee produced during the period. Whatever system may be adopted, the plantation hand profits most by the harvest and sale, for his own account, of the crops of cereals planted between the lanes of coffee trees.

In the other producing States there are regions (almost all of them on the São Paulo State frontier), on the Minas Geraes side of the line, where the S. Paulo system predominates. In other States, the cultivation of the plantations is also paid for by means of a sum previously agreed upon, but in these States the "half-and-half system" is the most popular method of payment. Under this system the "colono" or regular plantation hand, or the day labourer, as the case may be, takes over the work of cultivating the coffee trees and harvesting the crops, receiving in payment for his services only half of the crops, the other half going to the planter (the Owner of the plantation). In these States there are also foreign plantation hands, but the majority are Brazilian.

On the larger plantations are always to be found proper coffee preparing machines (not including hulling machinery, which as stated above, are not generally used), — and on those plantations not only the coffee of the owners is milled, but also that of their neighbours from the smaller plantations. Besides the machinery on the larger plantations, there are to be found, in some villages, establishments known as "central preparing machines". No coffee is grown by the operators of these establishments, but they prepare all the coffee brought by rail and road, charging so much per bag. (NOTE. See below on D. N. (C) mills).

The coffee, at the time it passes through the above process is, as previously stated, generally submitted to a classification based on the difference in the size and form

of the beans, being divided into the following types: "chato graúdo" (large flat); "chato" (flat); "chato miúdo" (small flat); "moka" (moka); and "mokinha" (small moka), being sent to the seaports under this classification.

As soon as the coffee arrives at the seaports, all of it, with the exception of the finer types, is properly blended so as to produce the types in general use on the American market, which is the greatest consumer of Brazilian coffee. The American system of classification includes 10 types, that known as Number 1, being the best quality. From 1, down to 10, the coffee becomes, in the order of its classification, more and more inferior. In fact types 9 and 10 are made up of blackened and broken beans, pieces of shells, and other waste. This mixture is generally known as the types better than Number 6, is sent to the United States, some of the finer unblended types also being sent there. The best types are not blended, being sold separately for a good price. — the European markets preferring these.

It must be admitted that, with exception of the finer, washed types, classified as Number 1, 2, and 3, Brazilian coffee cannot compare in quality with that of Spanish America, which is all splendidly prepared. In Santos most of the coffee belongs to types 4, 5 and 6. In Rio most of it is not superior to types 6 and 7, — especially 7. In the States of Espírito Santo and Bahia the product is still more inferior in quality, being sent for preference to the United States and the Mediterranean countries.

Almost all of the machines used in preparing the coffee are manufactured in Brazilian workshops. A few are imported from the United States, but even these are copied from the Brazilian types, which by the way, are composed of the most varied models, — very cleverly made, very capable, and which are constantly being improved.

THE COST OF PRODUCTION

In a country as vast as Brazil, where the cost of commodities frequently varies so greatly, it is impossible properly to ascertain the cost of production of any given article North of Brazil. In the State of São Paulo the plan-

The first difficulty arises from the great difference in the salaries paid in the different regions of the country. In São Paulo wages are very much higher than in the North of Brazil. In the State of São Paulo the plantation hands receive a daily wage of Rs. 28500 to 38000. At this time the plantations in the States of Rio de Janeiro and Minas Geraes pay their hands at the rate of Rs. 18600 to 28000 per day, those in the States of Espírito Santo and Bahia receiving only wages of Rs. 18200 to 18500.

One of the principal causes for the difference in the cost of coffee production is the fact that in a regular part of the income derived, is included the amount in money resulting from the sale of the cereals planted between the rows of coffee trees. As the price of these cereals varies greatly from year to year, it is evident that the cost of coffee production varies in proportion.

The variations in the prices of cereals are principally caused by transportation difficulties the facilities between the coffee producing regions and the big markets being very limited. In this way every locality becomes an isolated market on a small scale, very liable to ups and downs, where a bad crop causes the prices to run up and an abundant one makes them drop, — the producer, of course suffering all the effects of this state of things. (NOTE. The transport difficulties have now been overcome, due to intervention of the D. N. C. with the Railways).

Now as transportation difficulties are not so great in São Paulo as in the other States, it is consequently much easier to determine the cost of coffee production in São Paulo than in the other producing states. For this reason, São Paulo rates will serve as a basis, for study of the problem.

However, before entering on the matter it must be remembered that owing to certain interesting circumstances, there is no great difference between the cost of coffee production in the State of São Paulo and that of the other coffee growing regions. In studying the problem it is noticed that the farther North one goes the less coffee is produced, wages being lower, as a kind of compensation. It is to be seen that, whatever may be the troubles of the other coffee producing states, outside São Paulo, their inhabitants, living with less comfort, spend less, — so that things in the long run are more or less the same.

Let us now see what is the cost of coffee growing in the State of São Paulo. We will take as a basis the average production of 60 "arrobas" or 900 kilos, per thousand trees. (This average is for the State of São Paulo). This production was less in 1914 than it had been previously, but showed a tendency to increase a little, thanks to the many new coffee trees that had been planted, and which were about to give fruit. Under these conditions the cost of coffee production, that is to say, for each "Arroba" (15 kilos) in São Paulo, in the pre-war years 1912-1913 prices, was as follows:

Care of plantation	18300
Getting in the crop	18000
Transporting same to drying grounds	\$100
Care of crop in drying grounds	\$280
Preparing coffee beans	\$360
Transporting crop to Railway station	\$150
Freight to Santos	\$350
Expenses in Santos	\$350
Bags (use and loss of)	\$050
Management	\$650
Repairs	\$600
Sundries	\$210

This makes a total of 68300 or 48200 per 150 kilos. This is approximately the average cost of production, not including the sinking fund and interest on capital used.

With the payment received from the planters for their services, as noted in above table, — plantation hands manage to pay all the living expenses necessary for the maintenance of themselves and their families.

After paying off all expenses the plantation hands still have the money coming from the sale of the beans, potatoes, and above all, corn, that, are planted between the rows of coffee trees and even in the passages between each lei of trees. In this way they manage in a few years, to collect a not inconsiderable sum of money, which they either send to their home village or use to buy some scores of acres which they afterwards cultivate on their own account, as new landed proprietors in Brazil.

ECONOMIC INFLUENCE

For many years coffee has been the principal item in the Brazilian Revenue. The value of exportation varies between 50% and 60% of the total value of the exportation of the whole country, and one may say with truth that coffee crises are also crises for national economy. This fact has been the cause of deep study into these crises and the ways to resolve them, especially so be-

cause they have produced their effect in the foreign coffee growing countries, affecting them desastrously

One of these crises caused in Java, in 1882, such a heavy fall in coffee prices that the Dutch government sent to Brazil one of its prominent citizens, Mr. Van Delden Laern, in order to study all aspects of Brazil coffee. The result of these studies was the bringing into being of the best books on coffee up to that date written on the subject. This crisis lasted until 1886, and the quotations of the "Good Average" type of coffee drooped, in the Havre market to 41 francs per 50 kilos. This type is equal more or less to that now-a-days known as the New York type 7. The cause of this crisis, and also of all later ones, was the over-production of Brazilian coffee.

During the period from 1880-81 to 1914-15, that is to say 35 years, the total of non-Brazilian coffee produced in the world, varied between (with small and insignificant exceptions) — 4 and 4½ million bags, — that is to say it remained stationary. However, in this interval the Brazilian production jumped from less than five million sacks to more than thirteen million. During this long period coffee consumption increased with inalterable regularity, as happens with the consumption of all articles, — but the same cannot be said of the production, which now and again increased with great irregularity, violently breaking down the balance between the production and the consumption.

This happened in 1896-97, the beginning of the desastrous drop in prices that, up to a certain point, was prolonged right up to 1909-10.

In 1886-87 the balance between production and consumption was re-established, both regulating at about ten million bags. This was the end of the low-price crisis. From 1896 while the consumption went on in its normal increase of from 2% to 3% yearly increase, — the production violently jumped up from one year to another, from ten to thirteen million bags, that is to say, it increased 30%! In the following year production gave another gigantic leap, from 13 to 15½ million bags. As a consequence of this the visible coffee supply increased from 10,500,000 to 11,500,000 bags and from 11,500,000 to 14,000,000 bags. The coffee quotations dropped to 43 and kept up its normal progress. Losses were enormous, both in the space of two years, crushing consumption, which kept up its normal progress. Losses were enormous, both among the planters and the holders of the coffee stocks, long established middlemen, — mainstays of the coffee business in the principal importing ports of the world.

The situation became unsustainable, and coffee quotations continued to drop. However the production gave no quarter reaching 15,000,000 bags in 1900-01; jumping up to 19¼ million bags in 1901-02; and after oscillating between 14,500,000 and 16,500,000, culminated in 23¼ million bags in 1906-07. That is to say, production doubled in the space of 10 years, having created, in the course of its increase, crops of a magnitude far beyond the limits of the consuming markets, bringing into being, formidable surplus stocks. In this way the crops increased from the normal production of 5,000,000 to 16,000,000 bags. An avalanche of coffee rolled through the markets, crushing everything, — an excess unparalleled in the world's coffee history. Prices had dropped to a ruinous level, causing great loss to the planters and threatening to destroy the country's economy and finances. It was then that the government of the State of São Paulo had recourse to the important operation known as "Coffee Valorisation", in order to try and put a stop to the drop in coffee quotations and save the fortune of the nation. It should be known that this official intervention, in 1906, was prece-

ded by important and extraordinary measures, preparing success, which should be considered as the first part of this courageous plan. "Coffee Valorisation" is the name given to the official intervention, by Brazilian authorities, in the coffee market, with the object of upholding and defending the commercial situation of this product, in order to permit the sale of the Brazilian crops at profitable prices, or at least, at non-ruinous ones. The programme of the memorable coffee defence campaign was divided into four parts, viz:

- 1) Essential preliminary measures.
- 2) Stabilization of exchange, thereby ensuring the same result with Brazilian currency (meaning here paper money).
- 3) Buying coffee and warehousing it.
- 4) Gradual sale of this coffee.

The above preliminary measures consisted of the passing of the law prohibiting the planting of new trees, and in seeing that the law was obeyed. The law forbade the planting during several years of new coffee trees, which was enforced in 1902. The necessity of immediate execution of the stipulations of the law was caused by the following facts:

In 1901 the government of the State of São Paulo verified the fact that the productive capacity of the world's coffee plantations had greatly exceeded the quantity required by the consumers, and that the principal or perhaps the sole cause of this was the rapid development of the plantations in that State. The government also discovered that it would be impossible to increase the amount of coffee consumed in proportion to the production, and verified, further, that it was impossible to reduce at once the quantity of the crops because this would mean the destruction of a large number of plantations, constituting the fortune of the State of São Paulo. In view of these facts the São Paulo State government had recourse to the only measure capable of guaranteeing, at least for the future the proper balance between the quantity of coffee produced and the amount consumed, obtaining, as a consequence of the measure, the return to profitable coffee prices.

The measure consisted in the temporary prohibition of the planting of new coffee trees which could only be obtained by means of the passing of a law prohibiting same, because in this way the planters would be protected from the enormous pressure exerted on them by their respective plantation hands, who constantly demanded the plantation of new trees. The reason of the plantation hands' demand was the fact that they had the right to plant their cereals between the rows of coffee trees, this being the plantation hands' principal source of income.

Knowing that the average coffee tree commenced to give a good crop only after attaining five years of age, the São Paulo government understood quite well that the above law could not, in the first five years, result in any great reduction in the size of the crops, nor even stop them from increasing. At the same time the government was aware that within six years the crop would become stationary, decreasing gradually afterwards, as there would be no new trees to increase same, — and as the amount of coffee consumed would continue to increase as usual, this would naturally decrease the stocks on hand, until the situation returned to normal again.

(Note. The author explained all these points in detail in the articles published in the Rio de Janeiro "Jornal do Commercio", and in the São Paulo "O Estado de São Paulo", and his efforts, both as the author of the articles and in starting the campaign to save the coffee situation, caused such a profound impression in the State of São Paulo that the agricultural interests immediately held a meeting

and requested the government to adopt the measures proposed by Dr. Augusto Ramos.

Five years later, in 1906, the government, being certain that the limitation of the crops would soon commence to produce effect, began to study the possibility of intervening in the market, in order to equalise as quickly as possible the supply and demand of the product, by means of temporary withdrawal from the market of the surplus stocks then existing, and which were prejudicing still further the crisis in the price of coffee and creating greater difficulties for the already over-burdened planters throughout the State. This was the new phase of the operation.

There was one thing that put back for 3 or 4 years the reestablishment of the balance between offer and demand, to which reference is made above; this was the increase of the crops of the new 1 to 4 year old trees, planted before the passing of above mentioned law, prohibiting the planting of new coffee trees. The influence of this new factor, in conjunction with that of the formidable total of stocks accumulated since 1897, with a total visible supply, in 1906-07, of more than 16,000,000 bags, instead of 5,000,000 sacks, which was the normal supply, did not permit of illusions; the government saw quite well that it would have to wait for many years before attaining a period of normal stocks and the automatically resulting normal prices, that is to say, prices not forced by any intervention.

However, the desperate agricultural situation did not permit of delay for this spontaneous return of good prices, and the government found itself in the position of being obliged to find some means of putting an end to the intolerable conditions. One thing it had guaranteed: — and that was the fact that owing to the limitation of planting, the situation would sooner or later become normalised, that is within a space of time necessarily limited, — the government being certain that it would be able to, in this way, have the market absorb the surplus stocks. In this way would be brought about the very necessary return of reasonably profitable prices, and the government could still go on selling without loss, all the coffee acquired in virtue of the intervention. In this case the eventual loss did not matter, — it being essential to re-establish the balance between production and consumption. The operation could, therefore, be carried out in safety and without running any risks. It was an "infallible result" deal, and not an "adventure" as the "Coffee Valorisation Plan" was frequently called.

Intervening in, and taking off the market all the coffee necessary to bring about the rise in prices, by means of the rational application of the law of supply and demand the government did not have in view the obtaining of any profits from the sale of the coffee acquired, and which after all, only amounted to about 7,000 or 8,000 bags in which the difference of a few francs more or less would neither make the State richer nor poorer. What the government really had in view was to lighten the market and obtain better selling conditions for the future crops. Besides this pecuniary advantage there were others to be counted, of even greater importance: the maintenance of order and discipline in work, the continuation of the development of the economic forces of the State besides others of easy intuition and understanding. These are reasons more than justifying the intervention of the government, that is to say, — the Valorisation".

This plan demanded, however, besides the concentration of immense capital, the necessary verifying of final steps in order to guarantee its success. Many people, however, did not even notice these steps, neither did they

understand their meaning. It was essential for Brazil, in limiting the planting of trees and working for the putting up of the prices, not to offer an opportunity to foreign countries, its competitors in the coffee growing field, — to conquer the best position in the industry. It was also necessary to stop these competitors from placing on the markets large new crops capable of serving as an obstacle to the reduction of stocks, maintaining the difference between offer and demand, in the coffee markets, rendering void all the efforts and sacrifices of Brazil.

At this time the writer was invited by the São Paulo State government to undertake the duty of visiting the Spanish-American coffee growing regions, — the only ones, as far as was known, that perhaps could produce the unpleasant surprises so greatly to be feared. The voyage was carried out in 1904-05 and demonstrated beyond all doubt the impossibility of any surprises, owing to the fact that these coffee growing regions had not the elements necessary for any development in the coffee industry. The report presented to the government by their delegate convinced it of the fact that no danger was to be feared from these sources, breaking down in this way the last barrier that stood in the way of the intervention of the government: the "Valorisation Scheme" was to be carried out. Another obstacle had also been removed from the way of the audacious protection operation: the exchange problem had been temporarily resolved.

The situation was, therefore, as follows: the planter was only interested in the price of coffee in Brazilian currency, because it was in this money that he paid all the expenses of production and all the debts (and they were not few) that weighed him down. The debts had originated in the advance payments made the planter by the coffee brokers in order to make good the deficits accumulated in the hard times that for years were felt, ever since the beginning of the crisis. Now, as all the coffee exported was paid for on a gold basis, it happened that once transformed into Brazilian currency (paper money) the resulting sum grew smaller as the exchange rate grew higher. This same exchange rate was but the consequence of the preponderance of supply over demand of gold in the market, and vice versa; and the higher the rate, the greater the depression in the coffee quotations on the home market (in paper money).

It was therefore urgently necessary to take strong measures against the increase in the exchange rate, otherwise it would be impossible to avoid the increase, owing to the influence of the loans about to be put through abroad, the "Quantum" of which in paper money, would have to enter the country in order to pay the planters. There was in this way an enormous gold offer threatening to provoke a rise in the exchange rates, and this would be disastrous not only for the coffee industry, but also for the whole industrial framework of the country, especially as regards its agricultural aspect, that in the long run, constituted the vital factor of the nation's life. Besides this, it was of the utmost convenience to have remain in the country the largest possible "Quantum" of the gold in this way brought within its frontiers. This was one more powerful reason for avoiding the rise of exchange rates, because cheapening the price of gold, in Brazilian currency, would result in a loss of its interest in the country and naturally be forced to procure a better and more profitable market abroad.

The object in view was to make the best of the situation, making it firmer and more solid, in order to be able to operate in safety under cover of same, — protected from unforeseen and ruinous oscillations in the value of

the currency. Otherwise these oscillations would annul the principal point of the government's measures, altering and counteracting any economic movements started in the country. There were two ways at the government's disposal to stabilise the exchange situation; — choose a new monetary standard, or create a government department where paper could be exchanged for its value in gold, — just as had been done in many other countries with the best results. After long discussions the latter way was chosen, being unfortunately taken as a basis the exchange rate of 15 pence per milreis, when everything indicated that the rate of 12 pence per Milreis should have been chosen, as this would have fitted in better with the industrial aspects of the country. Well, in any case a limit was put to the exchange rate; and the coffee valorisation scheme was put through, safely protected from this side of the great problem.

This is a rough outline of the gigantic effort in defence of the country's private and public fortune, this effort being worthy of imitation, with the necessary changes, in similar situations. What followed was just a series of ups and downs at home and abroad, as will be shown in a few lines

The long years passed away before all the coffee accumulated to the order of the São Paulo State Government could be dispersed. The forecasts therefore, did not fail to come true. During the first few years it was naturally impossible to place on the market any part of above mentioned stocks, because the crops of São Paulo, increased in size by the growing coffee trees to which previous reference has been made brought to the coffee markets large quantities of new coffees, which could not be absorbed by the market. The consumption of coffee slowly, increased with hardly any difficulty at a regular march of 2% to 3% per annum. A little later the law limiting the planting of new trees came into being and produced its effect; — the São Paulo production stopped increasing and consumption began to make headway. At last, in 1917, the last lots of "Valorisation Coffee" were sold, and the coffee markets dropped back into their old working order.

Let us look at some details of the operation. As soon as the São Paulo State Government decided to intervene in the markets, it approached the Governments of the States of Rio de Janeiro and Minas Geraes, arranging with them, on the 26th. February, 1906, an agreement known as the "Taubaté Agreement". In this document not only the conditions relating to the obtaining and exporting of coffee, but also the authority for a loan of £15,000,000 on the responsibility of the three States, was agreed upon, a super-tax being created on all the coffee exported by these States. The product of this super-tax would defray all the service expenses of the loan. An emission fund was also created, of convertible notes, at the exchange rate of 15 to the £1., with the object of buying, at this rate, all the gold offered for exchange, and vice versa. We have already seen that the object of creating this fund was to stabilise the exchange and this was accomplished to the spirit and the letter.

The £15,000,000.0-0-0 loan, notwithstanding the fact that it was guaranteed by the Federal Government, could only be put through with great difficulty, because the "Valorisation Plan" encountered opposition everywhere. When the loan was floated, the São Paulo State Government had used in the furtherance of the plan some £7,000,000.0-0-0, furnished by foreign capitalists. Besides such large resources, the Government operated with 80% of the value of all the coffee it had bought and which was

warehoused under warrant in the big European and American coffee-importing ports.

The States of Rio de Janeiro and Minas Geraes abandoned São Paulo, refusing to keep their word as regards the promised super-tax on exported coffee. This obliged the São Paulo Government to operate with only the State of São Paulo's super-tax, which was, for this reason, elevated from 3 to 5 francs. Eight and a half million bags of coffee were bought, being given over to the care of a committee whose duty it was to sell them. After having fulfilled its duty, the committee was dissolved. All the coffee was sold at above-cost prices, varying according to the state of the market. In this way there was carried out the gigantic undertaking which from every aspect did honour to the State of São Paulo, that, in the fulfilment of a duty whose need could not be denied, pledged everything, — with energy, tenacity, courage and ability, in order to defend its planters against one of the most formidable crises that ever devastated a great agricultural industry.

The "Valorisation Campaign" reacted for a long time and on a large scale all over the world. In the big importing centres the importers took sides, fiercely attacking or defending the attitude assumed by Brazil. The capitalists themselves took sides and the case even reached the upper political spheres, bringing about diplomatic intervention, all of which goes to prove the importance and magnitude of the interests in the balance. Some went so far as to deny to Brazil the right of defending its own product! From the economic point of view the direct effects of the "Valorisation Plan" did not make themselves felt only in Brazil, because the consequences of intervention, stopping prices from dropping, were of equal advantage to all coffee-producing countries. The fact of Brazil having caused the superabundance of the product, on the markets, had nothing at all to do with the case.

As far as internal effects are concerned, we have already noted how much the "Valorisation Plan" did to stop the disorganization of work and the breaking of the peace in the coffee producing states, and more especially so in São Paulo. One must not forget that it had also other advantages: — being unable to enlarge their plantations, thanks to the law limiting same, the planters took care to perfect their crop-raising methods, obtaining greater production from, and longer life for, their trees. At the same time the planters turned their attention to the raising of other crops and dairy products, the São Paulo Government, with this object in view, having given them every help in its power. The then Secretary of Agriculture put forth special efforts, travelling up and down the State, taking advantage of his long experience and studies abroad to stimulate and encourage the rural population. Being of an enthusiastic temperament, the Secretary of Agriculture (Dr. Carlos Botelho), found his efforts crowned with success and as a result, a large part of the direct and indirect coffee-production profits were invested in new manufacturing industries, instead of in new coffee plantations and today are to be found in the State of São Paulo a great number and variety of profit-earning factories.

There were other interesting aspects to the "Valorisation Plan", standing out as the guiding personality in same, the unbreakable and unconquerable figure of the then President of the State of São Paulo, Dr. Jorge Tibiriçá, whose incomparable aids were Dr. Albuquerque Lins, then Secretary of the Treasury, and his very able Delegate, Dr. Olavo Egydio (who afterwards passed to the Treasury). The President of the State of São Paulo had also the help of the eminent men in the State and the population also

unwaveringly stood by him. In talking about the "Valorisation Plan" one must not forget Count Alexandre Sici-liano's valuable and useful services in the furtherance of that great undertaking.

THE COFFEE CRISIS OF 1929/30

This terminates the retrospect of Dr. Augusto Ramos, and carries the reader up to the more balmy days of the São Paulo Coffee Institute. Space and the length of the article do not permit of more than a few words on the black months which followed the crisis of October 1929, and the heartbreaking efforts of the country to pull the coffee industry out of the mire which threatened — nay, almost succeeded in engulfing it. After stupendous credit and valorisation operations, some control was attained of the overwhelming surplus of the 30,000,000 bag crop, all the success of the operation being lost in the Revolution which swept through the country from North to South in 1930. With the advent to power of the Revolutionary Government in 1931, the Conselho Nacional do Café was established, and the real fight commenced. Followed the inauguration of the Departamento Nacional do Café, and the gradual return to comparative stability, not, of course, without contingent mistakes and false steps, but finally Brazil found her coffee trade in a safe position once more. The cost has been terrific — the labour boundless — the success worthy — let it not be forgotten.

THE DEPARTAMENTO NACIONAL DO CAFE

The following report forms the greater part of an exposition of the Minister of Finance, Dr. Arthur de Souza Costa, read before the joint Committees of Constitution and Justice, and Agriculture and Commerce, in the Senate last month, and affords a reliable insight into the workings of the Department.

The income of the D. N. C. is the result of the collection of taxes and revenue of an eventual nature, arising from fines and the exercises of the functions of the Department. The taxes to which I refer are as follows:

1) — Tax of 15 Milreis (denominated the 5/- tax), on bags of coffee exported, especially reserved for the service of the £20,000,000 loan, contracted in 1930 by the State of São Paulo. The amounts collected on the coffees of the States of Minas Geraes, Espirito Santo, Rio de Janeiro, Paraná, Bahia, Pernambuco and Goyaz, are placed, monthly, at the disposition of these States. (Clause 2 of the Convention of July, 1935). Any surplus verified, after the execution of the normal service of the loan and the restitutions to the respective States is credited to the account of the State of São Paulo with the Bank of Brazil, entailed to the loan service, and is intended to be used for anticipation amortizations of same, as soon as it becomes possible to effect this. We are therefore dealing with a revenue integrally entailed to a special service. (Clause 2 of the Convention of July, 1935).

2) — Tax of 15 Milreis, corresponding to half of the 30 Milreis tax (denominated the 10/- tax), to which amount this latter has been reduced until December 31, 1937, in virtue of the agreement between the Bank of Brazil, mentioned in Clause III of the Convention of July, 1935; the product of this tax is intended to be used "solely" for the amortization of the obligations of the D. N. C. pursuant to the provisions of Article 6, §3 of the Transitory Provisions of the Constitution.

3) — Impost of 15 Milreis, created by the States of São Paulo, Rio de Janeiro, Bahia, Goyaz, Pernambuco, Mi-

nas Geraes, Espirito Santo and Paraná, under the terms of Clause III of the Convention of July, 1935, and under the necessary authorization of the Federal Senate, which impost is collected by the D. N. C., "the product of said impost being reserved for the execution of the objectives attributed to this Department". (Clause IV of the Convention of July, 1935). This last mentioned revenue item, therefore, is intended precisely for the purpose of enabling the Department to operate, whose attributions figure in the various laws and regulations which govern the functions.

Having satisfied the request for information made to me by this High Assembly, allow me, as regards the merits of the substitutive project of law N.º 39, of 1935 and the substitutive amendment to project N. 36, of 1935, of the Committee of Economics and Finance, to project of law N. 6, of 1936, of Senator Genaro Pinheiro, — to call your attention to the fact that the present régime, under which the crops are sent to the seaports during the July-March period, has been altered by Article 1. The period of 3 months between the end of the despatch period and the beginning of the new agricultural year is considered indispensable, as I stressed in my information notice of 12-9-1935, in order to proceed with the crop calculations and the adaptation of the measures necessary for the maintenance of statistical equilibrium.

"Besides this, I would be pleased to have further information regarding Article 2, wherein an attempt is made to establish that" during the months of April, May and June, wherever there are regulating warehouses, the D. N. C. in promoting the financing of the retained quotas, may restrict or prevent despatch of coffee to the exporting markets".

Dr. Arthur Costa added that the objectives of the D. N. C. are, in fact, very ample ones, even going beyond the protection of the production, transportation, consumption and commerce of coffee. The law which created the Department maintained, and the 1935 Convention amplified these attributions. The fact of the Ministry of Agriculture being entrusted with the measures relating to the improvement of production, does not exclude the D. N. C. from the protection of the product in the same way, this being the only solution of the problem. The Minister of Finance also read juridical reports favourable to the simultaneous incumbence of the matter on both organs.

Continuing his exposition of the matter, Dr. Arthur Costa said that the Department must be included in what it is usually called directed economy, although it is not easy to define exactly what this means. The speaker cited various authors who had offered different and contradictory definitions regarding directed economy, which still lacked a scientific basis, there even being people who maintained that directed economy would only become efficacious when applied under a discretionary régime. He did not attempt to defend this economy, but was forced to recognize the fact that this policy was followed at least as regards coffee. If directed economy, was not successful, it was not the fault of the economy, but of the men. The truth of the matter is that directed economy is indispensable in face of a problem so serious as that of coffee.

Referring to the taxes, the Minister of Finance said the present prices of coffee were absolutely not depression prices. Without the taxes there would be a ruinous lack of equilibrium in the balance of affairs. Freedom of trade would be ideal, but it is impossible to apply principles of pure science when the Government finds itself obliged to intervene in transactions owing to the force of circum-

lances, as in the case of coffee.

Dr Arthur Costa, then gave as an example the case of the exchange quota demanded by the Bank of Brazil which was reduced last February from 83% to 35%, observing that a week after the reduction the product dropped fully five percent to the present price. The Minister of Finance also pointed out that the policy of the D. N. C. does not only suffer the accusation of operating the planters — it is also accused of stimulating the production of other countries. Both arguments were, however, refuted in the speech he made previously in the Chamber of Deputies. Low prices could not increase consumption in countries like Italy, where a tax of Rs. 1:600\$900 is collected per bag of coffee. It must not be forgotten that coffee, which had at one time reached the price of £5 sterling, was now quoted at a little more than £1.

The Minister of Finance then adduced various other considerations relating to statistical equilibrium alluding to the crops, showing that in the 1936/7 period the coffee surplus would be as high as 7,000,000 bags, if steps were not taken to prevent it, and naturally these steps would have to be taken.

Returning to the situation of the D. N. C. the Minister of Finance stated that this must of necessity be an autonomous organ, being independent in the exercise of its functions.

The Senate could lay rules for the coffee policy, but the measures established by the Senate have to be executed by the D. N. C. as the organ created for the protection of coffee production.

THE PRESENT SITUATION AND FUTURE OUTLOOK

The coffee situation, now that the most serious phases of the 1929 crisis have been properly attended to, is returning to normal. The improvement is noteworthy, especially in consideration of the fact that prices in international currency continue to display a tendency to descend to a lower level.

The efforts of the different entities connected with the development of the coffee industry are beginning to produce their effects. Propaganda in all its varied phases, despite the lack of enthusiasm on the part of a few pessimists, who can see no hope for anything, anywhere, is slowly but surely making itself felt, and results are beginning to weigh in the balance.

The best outline of the coffee situation of recent date, is that figuring in the Presidential Message to Congress, and the information contained therein is highly encouraging to all concerned. Among the commercial methods of protection relating to Brazilian coffee mentioned in the competent section of the Message figure two of a fundamental nature:

1) — The incineration of surpluses accumulated in the execution of former policies.

2) — The restriction of production, which was stimulated as a consequence of the interventions practised for the purpose of valorising the crops.

As regards the incineration of the excess of crops, well informed parties are of the opinion that this is a very good step and very opportune. No one can deny that the incineration of coffee has produced very good results. Though naturally, this must not, and will not, continue indefinitely.

Statistics covering the matter show that in 1935, in comparison with the previous year, there was an increase of more than half a million bags of Brazilian coffee figuring world consumption figures.

Praiseworthy efforts are now being made by the proper Departments of the Brazilian Government for the purpose of consolidating the situation of Brazilian coffee on international markets, and in this respect everything possible is being done to improve the types of coffee so as to satisfy the demands of the consumers. The statistical classification of all coffees on arrival at the seaports has made it possible to obtain definite information regarding quality. With the object of improving the quality, and increasing the volume of the crops, and in view of the difficulties of a material and financial nature which the planters would encounter in the execution of the recommendations of the experts, the Brazilian Government has created central plants for the hulling, milling, and classification of the coffee beans. This has been done so as to protect the interests of the planters and so make possible, on a reasonable basis, the standardisation of the coffee to be shipped to the consuming markets of the world.

The installation of these plants was effected after a long and careful study of the matter, not only from the viewpoint of the indispensable technical equipment, but also from that of the production of a product able to guarantee a maximum of economical return to the planters. The coffees thus prepared are characterised by the following requisites: minimum of imperfections; complete drying with consequent increased cup strength; perfect preparation without the fermentations which are so prejudicial to the good condition of the beverage; a standardised product. In this way the planters are able to obtain coffees prepared in compliance with a rigorous procedure, and easily place same on overseas markets.

There are twenty three such plants installed in the State of Rio, thirteen in Espírito Santo, six in Bahia, three in Pernambuco, one in Paraná and one in Minas Geraes.

The suggestions made by the Conference of Coffee-producing States held in Rio in July 1935, after approval by the Legislative bodies of the different States concerned, were ratified by the Federal Legislative Power, becoming law on January 6th. of the current year. It was only after this date that the provisions of the law entered into force. Despite this fact, preliminary steps were taken for the purchase of the excess of production, it being resolved that all the coffee in Regulating Warehouses should be classified, the data thus obtained being published for the information of interested parties and consequent declaration of sale to the National Coffee Department. A definite price list was established in accordance with the conditions prevailing on the different markets for the main purpose of attending to the wishes of interested parties, especially the planters.

Returning to the question of propaganda, a subject on which there are many opinions, each one varying in a minor or major degree from the preceding one, according to the viewpoint of the party interested, it is pleasing to see the favourable results obtained by publicity in general, including a very able and excellently planned use of the radio for coffee propaganda purposes in the U. S. A. The recent decision of one of the leading roasters in the United States to spend twenty five thousand dollars for a national "hook-up" of one hour every Sunday night was a very courageous one, and cannot be too highly applauded. Other firms are adopting the same method, and it is to be hoped that this phase of coffee propaganda will become universal as a very efficient support to the other features of publicity in the Press. It will thus be seen that propaganda, carefully planned and carried out by competent, specialized organs, does produce the desired results, whatever may be said to the contrary.

A very good step in the right direction was taken by the Departamento Nacional do Café, (D. N. C.), when it nos decided to maintain a coffee propaganda office in Front Street, in the heart of the New York coffee centre: The São Paulo Coffee Institute many years ago installed a private office of its own in New York.

It is encouraging to note the worldwide increase in the consumption of Brazilian coffees, February last being hailed as a record month in the history of Brazil's famous product. During this month over a million bags of Brazilian coffee were delivered to U. S. A. ports, as follows:

New York	514.000 bags
New Orleans	309.000 "
San Francisco	62.000 "
Other ports	168.000 "

A glance at M. E. Laneuville's latest statistics is highly gratifying from the Brazilian viewpoint; total deliveries of Brazil sorts during the first eleven months of the current crop amounted to 15,058,000 bags, which surpasses the recent high figure of the 1933/34 crop, of 15,037,000 bags. Deliveries to Europe totalled 5,654,000 bags, and to the United States 8,228,000, with sundries at 1,176,000, all of which are records. Exports from Brazil, as far as can be ascertained from what little information is available, have also been high, though the resultant visible supply does not appear to be more than the markets can be expected to hold.

To change the subject, the following is translated from the official D. N. C. monthly organ, under the heading of "Cups of Coffee":

"Habitual coffee drinkers in the United States consumed 61½ cups of coffee per capita in 1935, which is an increase over the 1934 figure, according to statistics published by the New York Coffee Exchange. Thus a new ratio of 3.03 cups of coffee per capita per diem was established, as against 2.86 cups in 1934; this ratio is even higher than the average registered in 1931, during which year a new record of per capita consumption was established this occurring despite the abolition of Prohibition in the meantime".

There can be no doubt that this noteworthy increase in consumption is due, directly and indirectly, to the success of the propaganda schemes so carefully planned and executed through the columns of the Press, by Radio, posters, electric signs, general publicity and other diverse means. It must, therefore, be admitted that as the knowledge becomes more widespread that Brazilian grades cover a very wide range, there appears a greater demand, each particular buying region preferring to purchase a definite brand, prepared for sale in different manners. One remarkable fact which has come to light is the appalling percentage of actual coffee dealers who were utterly unaware of the full range of Brazil sorts, and were even under the impression that many of the grades in which they dealt were not of Brazilian origin. Publicity had been lacking in this respect for many years, with the result that, when a scheme was put into operation, some surprising results were obtained. It is gratifying to know that from the present time on, the United States buyers will at least have comparatively thorough knowledge of exactly which coffee is Brazilian, and which not.

In this connection, the following extracts from a United States correspondent's report in the "Review of the Coffee Institute of São Paulo" is interesting:

"The propaganda of coffee, which is presently the centre of so much debate in Brazil, continues to occupy the minds of a certain number of experts here, whose anxiety

is manifest for the execution of the schemes.... The bulletin of the Associated Coffee Industries of America contains an article on the inauguration of the New York Office of the Departamento Nacional do Café.... It would be an excellent idea for the Institute to observe the fact that... Brazil is in a superior position; she does not have to ask, but is a position to demand.

"The Institute, in the question of propaganda, more than any other organisation in Brazil, holds the trumps, due to the success of previous campaigns carried out in the United States... The advertisements which have appeared in "The Spice Mill" demonstrating the number of brands composed of Santos coffees... completely destroyed the false opinion previously existent..."

A summary may be drawn from the above conclusions, which is pleasing to contemplate. Brazilian coffee in the United States is being correctly advertised and canvassed, and results have already been obtained. Brazilian coffee is becoming better known, and demand will surely increase, as there is little doubt that the grades are popular and will become even more so, once the better grade coffees of the latest D. N. C. fine coffee producing campaign reach the overseas markets. Brazilian coffee exports are satisfactorily high, and world markets are not saturated. Locally, the Consulting Council of the D. N. C. has met and dissolved, leaving a clear path for the Department to tread in the matters of greatest moment at present — the surpluses of the past crop, and the despatch regulations of the present one. New commercial agreements, although provisionally anyway for the time being, guarantee certain fixed export quotas to various countries, and further agreements are nearing completion at the Foreign Office. Speaking frankly, it may be said that optimism may safely be the order of the day; the new crop starts out under happy omens; long may this state of affairs continue.

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"Pacific"	—	—
"Nordstjernen"	—	5th. Aug.
"Lima"	14th. July	14th. Aug.
"Argentina"	25th. July	24th. Aug.
"Pedro Christophersen"	27th. July	6th. Sept.
"Uruguay"	23rd. Aug.	19th. Sept.

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RIO DE JANEIRO

DRINKS

Brazilian Imports — January to April 1936

Commodities	Kilos	£
Mineral waters for the table . . .	2,490	99
Alcoholic and Fermented beverages	17,569	1,293
Brandy	2,186	564
Genebra	11,651	1,068
Gin	658	54
Whisky	47,327	8,544
Beer	5,420	349
Other drinks fermented	441	21
Liqueurs and Syrups	2,189	345
Grape juice	2,501	161
Fruits juices, unenumerated	738	62
Vermouth, bitter and similar be- verages	95,259	5,474
Champagne and other sparkling wines	10,526	2,591
Sweet wines (Oporto and similar)	61,058	4,102
Table wines	1,328,821	25,291
Drinks unenumerated	270	16
Imports 3 months 1936	1,589,104	50,034
Ditto Ditto 1935	1,762,320	55,685

Note: See N.º 23 page 539

MOTOR TRUCKS

Brazilian Imports, April 1936
Destination and Marks

FORTALEZA

International 2 2

CABEDELLO

Stewart 2 2

RECIFE

International 4

Volvo 2 6

RIO DE JANEIRO

Commer 4

Chevrolet 2

D. K. W. 3

Dodge 2

Indiana 2

International 67

Volvo 4 84

SANTOS

Bedford 12

Chevrolet 213

D. K. W. 4

Commer 4

Ford 500

G. M. C. 1

Henschel 1

International 70

Mercedes Beriz 2

Opel 5

Volvo 1 813

PORTO ALEGRE

International 6 6

Imports — April 1936 913

Ditto Ditto 1935 829

See no. 25 Page 595.

GODFISH

Brazilian Imports — April 1936
Destination and Importers

MANAOS

Neale & Cia 3,300

Oliveira Marques & Cia 1,740

Total 5,040

PARA

Steiner & Cia 2,400

RECIFE

Mario Coelho Pinto 1,332

Loureiro Barbosa & Cia 2,900

Total 4,232

RIO DE JANEIRO

A. J. Hollevik 7,830

Alberto José de Lima 2,900

Berkeland & Cia 4,350

Coelho Duarte & Cia 7,888

Ferraz Irmão & Cia 5,800

Ferreira Filho 2,900

Gabriel Santos & Cia 11,600

Lopes Garcia & Cia 2,900

Moyses Mello & Cia 17,400

M. M. Valente 1,160

Maia Fernandes & Cia 2,900

Macedo Portas & Cia 1,450

Nunes Martins & Cia 2,900

Oliveira Lopes Silva & Cia 8,700

Pereira Lima & Cia 2,900

Pereira Carvalho & Cia 5,800

Prista & Cia 12,180

Pring Torres & Cia 2,900

Rocha Irmão & Cia 14,500

Soares Bastos & Cia 5,800

Souza Mattos & Cia 2,900

Souza Valle & Cia 2,900

Simões Macedo & Cia 2,900

Varella & Cia 2,900

Vieira Monteiro & Cia 2,900

Total 139,258

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RIO DE JANEIRO

SANTOS

Andrade Rebello & Cia 11,600

Ant. de Donato & Filho 2,320

Ant. Salvador Messina 5,800

Bovino Bellacosa 8,120

Bovino & Filho 2,900

Basile Sessa & Cia 1,740

Daniel Martins & Cia 5,336

F. Valejo 2,900

F. Martins 2,320

F. S. Hampshire & Cia 17,690

Francisco Fabia & Cia 2,900

Ferreira Lage & Cia 6,380

Gouveia de Oliveira & Cia 58,000

Hermínio Paveso & Cia 2,900

Humberto Ganz 790

Irmãos Ventura 2,900

J. M. Veiga 8,700

J. Araujo Pinto & Irmão 41,532

José Fonseca & Cia 2,900

Loureiro Costa & Cia 1,000

Lourenço Martins & Cia 2,903

Luiz Dias Carvalho & Cia 6,525

Luiz Naporano 2,900

Martins Fadiga & Cia 9,280

Moreira Viegas & Cia 33,350

Mendes Irmão & Cia 1,450

Monteiro & Cia 2,320

Martinelli & Cia 2,714

Romeiro Pinto & Cia, Ltd 2,903

Simone & Imbo 1,450

Vito Ant. Lamana 2,320

V. Texeira & Irmão 5,800

Total 262,643

RIO GRANDE

Raphale Amelmi & Cia 3,480

PORTO ALEGRE

Walter Petersen 2,900

Imports — April 1936 419,933

Ditto Ditto 1935 677,933

N. B. A difference of 1450 kilos will

be noted in the figures for Santos. The

above Statistics being revised.

EXCHANGE

OFFICIAL MARKET RATES

Rio de Janeiro	Buy 1936 July, 10th	Sell 1936	Sell 1936
		The quotations	
London	57.540		are no longer
New York	11.590		
Paris	755		existent, and
Berlin	3.520		
Brussels	1.970		the columns
Buenos Aires	3.240		
Lisbon	520		will be with
Madrid	1.575		
Milan	900		drawn shortly.
Montevideo	5.150		
Zurich	3.740		
Amsterdam	7.810		

FREE MARKET RATES

Rio de Janeiro	Buy 1936 July, 10th	Sell 1936 July, 10th	Sell 1936 July, 3rd.
London	86.200	86.700	87.000
New York	17.380	17.290	17.350
Paris	1.130	1.145	1.150
Berlin	—	6.985	7.020
Brussels	—	2.920	2.930
Buenos Aires	—	4.740	4.720
Lisbon	—	790	795
Madrid	—	—	—
Milan	—	—	—
Montevideo	—	8.760	8.780
Zurich	—	5.680	5.665
Amsterdam	—	11.760	11.820

LONDON RATES

London on:—	1936 July, 10th	1936 July 3rd.
New York Dollar	5.01½	5.02½
Paris Franc	75.75	75.75
Berlin Mark	12.44	12.45
Amsterdam Florin	7.37	7.37
Brussels Belgca	29.68	29.70
Berne Franc	15.32	15.35
Lisbon Escudo	63.62	63.87
Madrid Peseta	110.¾	110¾
Genoa Lira	36.50	36.62

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MONEY MARKET

DISCOUNT RATES

	1936 July, 10th	1936 July, 3rd
Bank of England	2%	2%
" France	3½%	3½%
" Italy	5%	5%
" Spain	6%	6%
" Germany	4%	4%
London Market	9/16%	9/16
N/York Market	3/16%	3/16%

RATES FOR NOTES

	Buy 1936 July, 10th	Sell 1936 July, 10th	Sell 1936 July, 3rd.
£ Sterling	87.300	88.000	89.500
\$ U. S. A.	17.400	17.600	17.750
\$ Canadá	17.000	17.400	17.500
Franc (France)	1.140	1.155	1.170
Franc (Belgium)	570	590	595
Franc (Swiss)	5.550	5.700	5.700
Mark (German)	4.000	4.400	4.300
Mark (Finnish)	340	370	380
Crown (C. Slovak)	640	690	700
Crown (Denmark)	3.840	3.900	3.900
Crown (Sweden)	4.400	4.500	4.530
Crown (Norway)	4.300	4.400	4.430
Dinar (Yugoslavia)	—	—	380
Escudo (Portugal)	800	815	820
Florim (Holland)	11.550	11.750	11.800
Lei (Rumantia)	—	—	100
Lira (Italy)	1.100	1.160	1.180
Peseta (Spain)	2.000	2.050	20.80
Peso (Argentine)	4.660	4.700	4.700
Peso (Bolivia)	—	—	—
Peso (Chile)	600	650	650
Peso (Paraguay)	—	—	—
Peso (Uruguay)	8.550	8.750	8.800

FREE MARKET OPENING RATES OF BANK OF LONDON & SOUTH AMERICA LTD.

	£	\$
July 4th	87.300	17.390
" 6th	87.200	17.360
" 7th	87.000	17.320
" 8th	86.600	17.300
" 9th	86.900	17.300
" 10th	86.900	17.320

MARKET QUOTATIONS

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

Friday, 10th July, 1936

Reajustamento c/2 coupons	686\$	682\$
Ditto c/3 coupons	706\$	706\$
Ditto c/5 coupons	—	750\$
Uniformizadas	—	—
Sundry issues nom.	760\$	758\$
Ditto to bearer	740\$	737\$
Ferrovias R a i l - ways Bonds	1:000\$	998\$
Treasury Obligation (1921)	1:002\$	1:000\$
Ditto, 1930	1:035\$	1:025\$
Ditto, 1932	1:000\$	995\$
Rio, 100\$ 4%	110\$	108\$
Ditto, 500\$ 8%	425\$	420\$
Ditto, 1:000\$ 8%	—	840\$
O Minas 1:000\$ 9%	902\$	900\$
Ditto, 7%	740\$	735\$
Ditto, 200\$ 5%	152\$	151\$
Municipal Loan 6% 1906, bearer	143\$	140\$
Ditto, 1904, £ 20, bearer	426\$	422\$
Ditto, nom.	—	399\$
Ditto, 1917	142\$	141\$
Ditto, 1914	142\$	139\$
Ditto, 1920, bearer	140\$	138\$
Ditto, dec. 3.264	163\$5	162\$
Ditto, 1931, (c/j)	165\$	162\$
Ditto, dec. 2097	—	170\$
Ditto, 1999	—	160\$
Ditto, 2093, 8%	—	190\$
Ditto, 1.920	138\$	—
Ditto, 1.622 6%	165\$	—
Bello Horizonte	700\$	690\$
Dec. 1.550 7%	163\$	—
Ditto, 1.535	165\$	162\$
Ditto, 2.339	165\$	161\$
Ditto, 1933 bearer	194\$	193\$

Banks:—

Bôa Vista	650\$	580\$
Brasil	391\$	390\$
Portugeuz nom.	95\$	85\$
Ditto, bearer	102\$	100\$
Comercio	215\$	200\$
Mercantil	430\$	470\$
Funcionarios	51\$	45\$
C. R. Minas	300\$	265\$
Regional	190\$	—

Railways:

M. S. Jeronymo	104\$	99\$
Paulista	224\$	—
Victoria a Minas	—	5\$

Insurance: —

Providente	3:000\$	2:700\$
Argos Fluminense	—	3:000\$
Brasil c/ 70\$	—	80\$
Ditto c/40%	—	40\$
Lloyd Atlantico	—	110\$
Guanabara	—	150\$
Sagres	450\$	380\$
Confiança	—	310\$
Varegistas	—	1:500\$
Integridade	400\$	300\$
Garantia	—	100\$
Continental	—	80\$

Textiles:—

Brasil Industrial	510\$	490\$
Corcovado	65\$	60\$
S. Pedro	510\$	—
America Fabril	—	210\$
Manufatura	—	200\$
Progresso Industrial	—	285\$

THE STOCK MARKET

LONDON

	1936 June 30	1936 July, 10th	1935 July, 10th
Brazil Funding 185%	90.0.0	88.5.0	86.0.0
Ditto, 1914 new	69.0.0	68.10.0	62.10.0
Conversion, 1940, 4%	17.5.0	17.0.0	14.10.0
Ditto 1908, 5%	—	—	—
Federal District 5%	20.15.0	20.15.0	21.0.0
Anglo-South Am. Bk. Ltd. ord.	0.4.0	—	0.6.6
Brazilian Traction, ord.	13.12	12.87	8.50
S. Paulo Coffee Estate Co. Ltd. 7%	91.10.0	89.10.0	80.0.0
Cables Wireles Telg. Co. Ltd.	7.0.0	6.7.6	6.18.10½
Wir. Tel. Co. Ltd. 4% Dec. Stk. Red	104.0.0	104.0.0	105.10.0
Braz. Warrant A'gy & F'nce Co. Ltd. ord.	0.1.9	0.1.6	0.2.0
Rio de Jan. City Imp. Co. Ltd., ord.	0.14.0	0.14.0	0.10.0
Imperial Chemical Ind. Ltd.	1.19.0	1.18.10½	1.15.3
S. Paulo Railway	54.10.0	51.10.0	50.0.0
Leopoldina Ry, 6½% Term. Dec. 1933	65.0.0	60.0.0	50.0.0
Rio de Janeiro Flour Mills	1.15.9	1.15.9	1.14.6
Bank of London & South America	4.15.0	5.0.0	4.5.0
Royal Mail	—	—	—
British War Loan 3½% 1927-47	106.2.6	106.2.6	106.12.6
Consols 2½%	85.12.6	84.15.0	86.0.0

NEW YORK

	July, 3rd	July, 10th.
American & Foreign Power Co., In	7.62	8.12
American Telephone & Telegraph Co.	167.75	168.50
Armour & Co. of Illinois "A" Stock	4.75	4.87
Atlantic Refining Co.	28.12	29.50
Brazilian Traction L. & P. Co., Ltd.	—	—
Corn Products Refining Co.	75.50	74.50
Electric Bond & Share Co.	23.25	24.12
General Electric Company	38.37	38.50
General Motors Company	68.50	69.12
Internat'l Business Machines Corp.	—	171.00
International Cement Corp	47.87	48.75
International Harvester Co.	83.75	82.00
Radio Corporation of America	11.50	11.62
Standard Oil Co. of New Jersey	58.87	61.00
Texas Company	36.37	37.62
United States Steel Corp.	58.62	60.62
Westinghouse Electric & Mannf. Co.	122.75	124.50

BANKS

Chase National Bank, N. Y.	44.00	46.00
National City Bank, N. Y.	38.00	39.00
Royal Bank of Canada	170.00	165.00

Alliança	60\$	40\$
Confiança	104\$	—
Petropolitana	175\$	170\$
Sundry:—		
Artefactos de Borracha	210\$	200\$
Docas de Santos nom.	212\$	210\$
Ditto, bearer	225\$	220\$
Mestre Blatgé	208\$	205\$
Docas da Bahia	9\$5	3\$
Sul Mineira de Ele- ctricidade	—	207\$
Nickel do Brasil	160\$	—
Hollerith	1:270\$	1:260\$
Luz Stearica	210\$	193\$
Mercado Municipal	—	230\$
Força e Luz de Campos	—	200\$
Debentures: —		
Usinas Nacionaes	—	212\$
Docas de Santos	—	186\$
Bellas Artes	214\$	208\$
A. Paulista	192\$	190\$
Edificadora	130\$	125\$
Progresso e Ind. do Brasil	—	187\$
Manufatura	214\$	—
Mercado Municipal	—	215\$
C. Brahma	1:020\$	1:015\$
Luz Stearica	—	170\$
Hotel Palace	204\$	—
Docas da Bahia	50\$	33\$
Nova America	—	1:040\$

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ESTIMATED WEEKLY TRAFIC RECEIPTS

ASSETS	
Securities rediscounted	535.535:308\$400
LIABILITIES	
National Treasury	510.000:000\$000
Bank of Brasil current account	7.430:405\$900
Reserve Fund	13.794:081\$400
Rediscounts	3.750:969\$700
Percentage to be distributed	559:851\$400
	<u>535.535:308\$400</u>

Year	Week ended	Receipts for week			Total from 1st January
		Currency	Exchange	Sterling	
1936	4th July	1.827:000\$	2.75 d.	£ 20.934	£ 467.526
1935	6th "	1.585:000\$	2.65 d.	£ 17.501	£ 419.934
	Incr. X X	242:000\$	.10 d.	£ 3.483	£ 37.591
	Decr. X X				

COFFEE PRICES CURRENT

Rio de Janeiro, 10th. July, 1936

COFFEE SERVICE	4	6	7	8	9	10
Rio spot N.° 7	13\$200	13\$500	13\$500	13\$500	13\$700	13\$700
" futures						
July	13\$100	13\$175	13\$000	13\$350	13\$775	13\$950
August	12\$825	12\$825	12\$725	12\$975	13\$450	13\$500
September	12\$725	12\$750	12\$675	12\$875	13\$425	13\$475
October	12\$675	12\$700	12\$650	12\$925	13\$425	13\$425
November	12\$700	12\$725	12\$550	12\$925	13\$450	13\$500
December	12\$650	12\$725	12\$575	13\$000	13\$450	13\$425
Sales	13.500	20.500	11.500	23.500	11.500	23.000
Santos spot N.° 4	17\$100	17\$300	17\$300	17\$300	Holiday	17\$600
" futures						
July	15\$700	16\$050	16\$100	16\$000		16\$600
August	15\$900	16\$325	16\$325	16\$275		16\$900
September	16\$450	16\$525	16\$650	16\$350		16\$975
October	16\$450	16\$550	16\$450	16\$375		17\$000
November	16\$550	16\$600	16\$500	16\$375		17\$100
December	16\$725	16\$700	16\$625	16\$500		17\$100
Sales	5.000	14.500	7.000	2.500		11.000
New York Rio spot N.° 6	Holiday	7 5/8	7 5/8	7 5/8	7 5/8	8 1/8
" " Santos " N.° 7		6 7/8	8 7/8	6 7/8	6 7/8	7 3/8
" " Santos " N.° 4		9	9	9	9	9 1/4
" " futures N.° 7		7 3/4	7 3/4	7 3/4	7 3/4	8
July		4.38	4.32	4.24	4.32	4.47
September		4.52	4.50	4.38	4.44	4.58
December		4.71	4.66	4.58	4.64	4.74
March		4.85	4.80	4.71	4.78	4.88
Sales		5.000	10.000	5.000	5.000	10.000
Havre futures						
July	118	118 1/2	118 3/4	117	116 3/4	119
September	122 3/4	123	123 1/4	121 1/2	121 3/4	124
December	127	127 1/4	124	126 1/4	126 3/4	128 1/2
March	131	132	132 3/4	131	131 3/4	133
Sales	9.000	14.000	14.000	9.000	9.000	12.000
Hamburg futures						
July	37	37	37	37	37	37
September	37	37	37	37	37	37
December	37	37	37	37	37	37
March	37	37	37	37	37	37
Sales	Nil	Nil	Nil	Nil	Nil	Nil

Wileman's Brazilian Review

THE MIRROR OF BRAZILIAN BUSINESS

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BRAZIL 100\$000

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COFFEE STATISTICS

ENTRIES

Week ending July, 4, 1936 - In bags of 60 kilos

	For the week ended		For the crop
	July, 4 1936	June, 27 1936	July, 4 1936
RIO:			
By Central and Leopoldina Ry	23,246	13,663	19,097
Warehouses	18,631	21,993	13,277
TOTAL	41,877	35,656	32,374
Total Santos	187,545	164,162	130,558
Total - Rio & Santos	229,422	199,818	162,932

The total entries by different S. Paulo Railways for the crop to July, 4, 1936

	Past Jundiaby Per	Sorocabana and others	Total at S. Paulo	Total at Santos
1935/1936	27,250	72,871	100,130	—

COFFEE LOADED (EMBARQUES)

Week ending July 4, 1936 - In bags of 60 kilos

	During Week ended		For the crop
	July, 4 1936	June, 27 1936	July, 4 1936
Rio	39,250	17,276	26,324
Santos	186,465	194,909	109,408
Total - Rio & Santos	225,715	212,185	135,732

SALES OF COFFEE (DECLARED)

Week ending July, 4, 1936 - In bags of 60 kilos

	During Week ended		For the crop
	July, 4 1936	June, 27 1936	July, 4 1936
Rio	27,606	20,245	13,569
Santos	121,000	138,000	94,000
Total - Rio & Santos	148,606	158,245	107,569

Value of Coffee Cleared for Foreign Ports

Week ending July, 4, 1936 - In bags of 60 kilos

PORTS	1936	1935	1936	1935	CROP TO JULY, 4, 1936	
	JULY, 4	JUNE, 27	JULY, 4	JUNE, 27	Bags	£
Rio	Bags 14291	Bags 37780	£ 14588	£ 38396	—	—
Santos	205606	226224	244507	265836	—	—
TOTAL 1935/1936	219997	264013	259095	304232	—	—

Our Own Stock

IN BAGS OF 60 KILOS

Rio stock on June, 27, 1936	690.611	
Entries during week ended July 4, 1936	41.877	
	732.488	
Loaded (Embarques) for week ended July 4, 1936	39.250	
Local consumption week ended July, 4, 1936	3.500	
Stock at Rio on July, 4		690.308
Santos stock on June, 27, 1936	2.183.632	
Entries for week ended July, 4, 1936	187.545	
	2.371.177	
Loaded (Embarques) during for week ended July, 4, 1936	186.463	
Stock at Santos on July, 4, 1936		1.972.260
Stock at Santos on June, 27, 1936		2.183.632
Stock at Rio and Santos on July, 4, 1936		2.662.568
Stock at Rio and Santos on July, 27, 1936		2.874.243

NOTE — From the Rio stock, have been included 150 bags, by D. N. C.
In ditto stock, 420 bags, premium of 10% to shippers, were included.
From the Santos stock, 3,845 bags, have been included by D. N. C.
Na verificação do stock de Santos, feita em 30 de Junho, foram encontradas menos 216.297 saccas.

COFFEE SAILED

Week ending July, 4, 1936 - In bags of 60 kilos

PORTS	UNITED STATES	EUROPE & MEDITERRANEAN	COAST	RIVER PLATE	CAPE	OTHER PORTS	TOTAL FOR WEEK	CROP TO DATE
	Rio	9243	4598	1977	450	—	—	16268	1199
Santos	83890	120223	213	1493	—	—	205819	—
TOTAL	93133	124821	2190	1943	—	—	222087	1199

COFFEE

Bahia Stock on 3rd. July, 1936	20.528
Entries during week ending 10th. July, 1936	4.248
Available	24.776
Clearances during week:	
To U. S.	—
Europe	4.460
To Elsewhere	915
	5.375
Bahia Stock on 10th. July, 1936	19.401

TOTAL EXPORTS FROM RIO DE JANEIRO DURING THE 1935/6 CROP.

BY EXPORTERS.

Theodor Wille & Cia Ltd	379.998
A. Jabour & Cia	276.955
Ornstein & Co	273.408
Leon Israel Company S. A.	249.832
Vivacqua Irmãos S. A.	212.167
Sinner S/A	183.518
American Coffe Corporation	180.257
Mc Kinlay S. A.	166.716
Gastro Silva & Cia	164.721
E. G. Fontes & Cia	132.179
Cia Nacional Comercio de Café	107.171
Rebello Alves & Cia	100.070
Marcellino Martins Filho & Cia	87.774
Pinto Lopes & Cia Ltd	73.742
Hard, Rand & Co	54.275
Norton Megaw & Co Ltd	34.110
Paiva Nunes & Cia	31.365
Fraga, Irmão & Cia Ltd	27.368
Hadjes & Cia Ltd	24.041
Cia Cafeeira de Minas Geraes	23.247
Pinheiro Ladeira & Cia	21.982
Arbuckle & Co	16.869
Serafim Fernandes	11.388
Souza Pimentel & Cia	11.317
S. Pereira & Cia	10.252
Sociedade Exportadora de Café S. A.	8.750
José Guarino	5.942
Mario Telles	4.659
Cia Armazens Geares de São Paulo	4.336
Luigi Bozzo d'Erminio	3.340
Febio Netto	2.467
Rabello de Almeida & Cia	2.273
M. C. Ribeiro & Cia	1.293
Armazens Geraes Belga	940
A. Duarte Pereira	827
Duarte Pereira & Cia	355
Consulado da Finlândia	300
Monsenhor Pedro Massa	300
Departamento Nacional de Café	288
Cia Expresso Nacional	260
Cia Nacional de Navegação Costeira	248
J. A. Gonçalves & Cia	210
M. Pinheiro da Silva	120
Irmãos Barreto	56
Barbosa Albuquerque & Cia	50
Pinto Alves & Cia	50
Candido Britto	40
Moreno Borlido & Cia	40
Salvador Pereira Lima	20
Cia Comercio de Navegação	20
Serviço Technico do Café (Min; Agric.)	5

TOTAL .. 2.891.912
 1934/5 Crop .. 2.488.440
 Statistics of the CENTRO DO COMMERCIO DO
 CAFÉ DO RIO DE JANEIRO

DESTINATIONS

U. S. A.	
New-York	347.396
New-Orleans	178.216
São Francisco	102.435
Portland	38.440
São Pedro	36.282
Houston	26.003
Norfolk	11.550
Los Angeles	10.296
Seattle	9.915
Vancouver	3.325
Baltimore	2.000
Montreal	2.000
Philadelphia	1.550
Boston	1.000
Jacksonville	750
Tacoma	500
Winnipeg	250
Total	771.908

EUROPA:

Havre	259.326
Helsinki	95.241
Trieste	94.431
Hamburg	82.734
Marseilles	80.155
Piræus	73.220
Antwerp	63.892
Stambul	60.000
Constanza	43.252
Melkoviek	36.797
Rotterdam	35.713
Genoa	33.003
Abo	29.463
Viborg	27.360
Dunkirk	25.844
Susack	20.334
Salonica	19.555
Copenhagen	17.429
Amsterdam	16.403
Kotka	15.349
Palras	13.472
Leixões	12.405
Oslo	9.984
Lisbon	8.462
Venice	7.984
Naples	7.928
Galatz	7.683
Stockholm	7.400
Reyckjaviek	7.337
Gefle	6.875
Volo	5.485
Gibraltar	4.906
Gdynia	4.417
Dubrovnick	4.260
Danzig	4.190
Bordeaux	4.112
Uleaborg	3.450
Gothenburg	3.348
Sundsvall	3.005
Durazzo	2.923
Wasa	2.701
Mantyluoto	2.440
Varne	2.391
Santander	2.285
Malta	2.253
Candia	2.164
Bilbao	2.090
Gijon	1.810
Mytilene	1.750
Trondjhem	1.617
Vigo	1.615
Hermoesand	1.500
Bourgas	1.361
Cavalla	1.300
Alexandroupoles	1.150
Bari	1.126
Ancona	1.054
Palermo	1.037
Calamata	1.000
Rouen	875
Spalato	769
Malmo	708
Barjem	706
Valona	663
Barcelona	658
Corfu	625
Lalda	625
Shios	565
Funchal	552
Nikobaing	540
Kahmar	500
Soutari	490
Ratmo	450
Thisted	438
Sevilla	430
La Coruna	383
Santi Quarenta	382
Karlskrona	375
Avilés	375
Ornskeldsvik	375
Canée	375
Vasteryiek	375
Fiume	314
Skelfea	300

Cadiz	250
Stagsund	250
Sonderhann	250
Dronem	239
San Sebastian	227
Messina	200
Chalkis	188
Ahus	163
Randers	157
Alicante	153
Bjoneborg	150
Neufawasser	150
Passagen	146
Palma de Maiorea	143
Aalesund	126
Helsingborg	125
Kemi	125
Vastitiza	125
Karlstad	125
Valença	124
Livorno	118
Transberg	63
Skien	63
Kolding	63
Sibenik	63
Vegle	63
Kristiansund	63
Huelva	50
Troasó	33
London	12

1.308.508

SOUTH AMERICA

Buenos-Aires	213.481
Montevideo	35.788
Rosario	25.195
Valparaizo	11.787
Magallanes	3.440
Talcahuano	1.980
Bahia Blanca	1.000
Assumpção	920
Puert Montt	850
Corral	610
Antofogasta	250
Santa Fé	200
Iquique	50
Coquimbo	20

295.571

AFRICA:

Alger	75.447
Cape Town	39.545
Alexandria	37.150
Algoa Bay	34.990
Oran	29.730
Durban	22.803
Philippeville	15.636
Mossel Bay	14.123
Tunis	11.944
Casa Blanca	11.859
East London	11.670
Teneriffe	9.975
Las Palmas	9.685
Laurenço Marques	7.290
Port Sudan	7.132
Bone	6.052
Bougie	2.535
Sousse	2.440
Port Said	2.425
Walfish Bay	2.170
Ceuta	1.810
Luderitz Bay	1.031
Sfax	976
Tripoli	923
Tanger	800
Dakar	751
Suez	375
Beira	650
Bizerte	189
Rabat	126
Port Nolloth	95

Mellila	63
ASIA:	362.390

Smyrna	16.313
Jaffa	6.915
Mersina	4.625
Beyrouth	2.597
Sasoum	3.250
Alexandre	1.943
Famagusta	1.662
Limassol	1.656
Rhodes	1.418
Trebisonda	1.375
Lanares	1.317
Haiffa	689
Adalia	500
Tripoli	221
Paphos	72

44.553

ANTILHAS:

Barbados	75
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COASTWISE:

South	80.101
North	28.806

108.907

Total 2.891.912

RUBBER

The Movement of Rubber in the port, of Para during the week ending July, 10th. 1936 was as follows:
 Stock on July, 3rd. 1936 4.839.203
 Entries during week ending July, 10th. 1936 236.040

Available 5.075.243

Clearances during week :

To Europe	175.670
To the U. S.	108.457
To other ports	14.660
	298.787

Stock on July 10th., 1936 4.776.456

Spot Rubber was quoted at Pará on July, 10th. 1936 as follows, per Kilo:

Island	5\$100
Sertão Fine	2\$600
Sernamby Island	4\$000
Sernamby Sertão	2\$500
Caucho	2\$600

Drink what you like—



and your choice will be

DEWAR'S
"White Label"

Rio de Janeiro Coffee Manifests

JUNE, 20th

"DELSUD"

New Orleans

A. Jabour & Cia	1.125
Pinheiro Ladeira & Cia	400
Theodor Wille & Cia, Ltd	795
Soc. Export. Café, Ltd.	250
E. G. Fontes & Cia	125

Total 2.695

JUNE, 25th

"GENERAL ARTIGAS"

Hamburg

A. Jabour & Cia	250
Vivacqua Irmãos S/A	200
Ornstein & Cia	125
Theodor Wille & Cia, Ltd	125

Total 700

JUNE, 27th

"CONTE BIANCAMANO"

Genoa

Theodor Wille & Cia, Ltd	790
Ornstein & Cia	508
Pinto, Lopes & Cia	300
Cia Nacional Comercio de Café	225

Alexandria

Hard, Rand & Cia	500
----------------------------	-----

Total 2.323

JUNE, 27th

"JABOATAO"

New Orleans

Marcellino Martins Filho & Cia	500
A. Jabour & Cia	250
E. G. Fontes & Cia	125

Total 875

JUNE, 29th

"RODNEY STAR"

Buenos Aires

Pinheiro Ladeira & Cia	100
Theodor Wille & Cia, Ltd	250

Rosario

Pinheiro Ladeira & Cia	100
----------------------------------	-----

Total 450

JUNE, 30th

"CUYABA"

Havre

A. Jabour & Cia	1.125
Ornstein & Cia	250
Cia Nacional Comercio de Café	125

Sinner S/A 75

Total 1.575

JUNE, 30th

"WEST IRA"

Los Angeles

Leon Israel Co S/A 169

San Pedro

Leon Israel Co S/A 875

Hard, Rand & Cia 250

São Francisco da California

Leon Israel Co S/A 1.759

Rebello, Alves & Cia 805

Hard, Rand & Cia 250

Portland

Leon Israel Co S/A 950

Hard, Rand & Cia 200

Seattle

Leon Israel Co S/A 415

Total 5.673

Total Overseas 14.291

Santos Coffee Manifests

JUNE, 22nd

"CABO SAN ANTONIO"

Barcelona

Junqueira, Meirelles & Cia 727

Soc. Mogyana Export, Ltd 75

Valencia

Junqueira, Meirelles & Cia 225

Soc. Mogyana Export, Ltd 14

Gijon

Junqueira, Meirelles & Cia 125

Cadiz

Junqueira, Meirelles & Cia 100

"LAS PALMAS"

Junqueira, Meirelles & Cia 100

Bilbao

Soc. Mogyana, Ltd 21

Vigo

Soc. Mogyana Export, Ltd 20

Total 1.407

JUNE 23rd

"HIGHLAND BRIGADE"

Buenos Aires

S. A. Levy 100

JUNE, 23rd

"GENERAL ARTIGAS"

Hamburg

Theodor Wille & Cia, Ltd	7.758
Cia Prado Chaves	5.274
Naumann, Gepp & Cia, Ltd	4.625
Leon Israel Co S/A	3.000
Hard, Rand & Cia	3.000
Almeida Prado & Cia	2.729
Sampaio Bueno & Cia	1.000
Hermann Gaih & Cia	964
Oswaldo Ferreira & Cia	858
Exp. Café Brasil, Ltd	753
W. Gieseler	500
Nossack & Cia	625
Soc. Mogyana Export, Ltd	440
Nioac & Cia, Ltd	250
J. G. Martins & Cia, Ltd	250
Martins, Gregory & Cia, Ltd	63
S. A. Levy	3

Bremen

Theodor Wille & Cia, Ltd	2.067
Leon Israel Co S/A	2.000
Naumann, Gepp & Cia	2.000
W. Gieseler	500
Cia Prado Chaves	302
Vidal & Cia	271
Sampaio Bueno & Cia	250
J. G. Martins & Cia, Ltd	223
Hermann Gaih & Cia	100

Total 39.805

JUNE, 24th

"WEST IMBODEN"

Baltimore

Hard, Rand & Cia	625
Leon Israel Co S/A	500
H. La Domus & Cia	250
Naumann, Gepp & Cia, Ltd	250
Zander & Cia, Ltd	125

Norfolk

Theodor Wille & Cia, Ltd	500
Cia Leme Ferreira	500
Almeida Prado & Cia	250
Zander & Cia, Ltd	125
Ernesto de Freitas Junior	125

Jacksonville

Cia Leme Ferreira	250
E. Johnston & Cia, Ltd	125
Junqueira, Meirelles & Cia	125

Total 3.750

JUNE, 24th

"SOUTHERN PRINCE"

New York

American Coffee Corp.	6.330
Hard, Rand & Cia	3.952
Ray Deininger & Cia, Ltd	1.250
H. La Domus & Cia	1.040
Cia Leme Ferreira	750
Lima, Nogueira & Cia	750
Mc. Laughlin & Cia	750
Junqueira, Meirelles & Cia	500
Naumann, Gepp & Cia, Ltd	500
S. A. Levy	500
Nioac & Cia, Ltd	375
Cia Prado Chaves	250
Exp. Rubiac, Ltd	250
Almeida Prado & Cia	235

Ramos, Silva & Cia	125
Zander & Cia, Ltd	125
Total	17.682

JUNE, 25th

"VIRGINIA"

Copenhagen

Almeida Prado & Cia	1.350
Cia Leme Ferreira	1.125
Luiz Ferreira & Cia	250
Theodor Wille & Cia, Ltd	229
Naumann, Gepp & Cia, Ltd	63
Hard, Rand & Cia	440
H. La Domus & Cia	63
Martins Gregory & Cia	60

Total 3.580

JUNE, 26th.

"CONTE BIANCAMANO"

Genoa

Exp. Rubiac, Ltd	2.000
Almeida Prado & Cia	1.990
Barros Pentgado & Cia	1.900
Cia Leme Ferreira	1.196
Matteo F. Valinetti	1.000
S. A. I. F. Matarazzo	1.000
Nossack & Cia	246

Alexandria

Hard, Rand & Cia	500
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Veneza

Rebello, Alves & Cia	280
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Naples

Almeida Prado & Cia	125
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Livorno

Cia Prado Chaves	84
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Total 10.321

JUNE, 26th

Kr. "MARGARETA"

Buenos Aires

Lima Nogueira & Cia	140
Almeida Prado & Cia	100
Zander & Cia, Ltd	100
Martins, Gregory & Cia, Ltd	98

Montevideo

Lama, Nogueira & Cia	100
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Total 538

JUNE, 26th

"CLEARWATER"

New Orleans

Theodor Wille & Cia, Ltd	7.104
Hard, Rand & Cia	6.775
S. A. Levy	3.200
Leon Israel Co S/A	2.750
Ray Deininger & Cia, Ltd	2.750
Lima, Nogueira & Cia	1.887
Cia Leme Ferreira	1.750
Luiz Ferreira & Cia	1.745
H. La Domus & Cia	1.550

Naumann, Gepp, & Cia, Ltd	800
Oswaldo Ferreira & Cia	625
Cia Prado Chaves	500
Zander & Cia, Ltd	500
E. Johnston & Cia, Ltd	375
Rebello, Alves & Cia	375
Almeida Prado & Cia	375
Nioac & Cia, Ltd	300
J. G. Martins & Cia, Ltd	300
Ramos, Silva & Cia	250
Martins, Gregory & Cia, Ltd	250
Arbuckle & Cia	250
Exp. Rubiac, Ltd	250
A. Sion & Cia	75

Total 34.736

JUNE, 27th

"URUGUAY"

Gothemburg

Hard, Rand & Cia	2.150
Martins, Gregory & Cia, Ltd	500
Almeida Prado & Cia	500
Naumann, Gepp & Cia, Ltd	500
Theodor Wille & Cia, Ltd	375
Soc. Nacional Export, Ltd	250
Leon Israel Co S/A	250
Cia Prado Chaves	250
Soc. Mogyana & Cia, Ltd	99
J. G. Martins & Cia, Ltd	40

Stockholm

Soc. Nacional Export, Ltd	647
Lima, Nogueira & Cia	625
Leon Israel Co S/A	500
Junqueira, Meirelles & Cia	313
Hard, Rand & Cia	278
Almeida Prado & Cia	250
Cia Prado Chaves	250
Camargo Pacheco & Cia	125
E. Johnston & Cia, Ltd	125

Helsingborg

Hard, Rand & Cia	1.500
Junqueira, Meirelles & Cia	250
Naumann, Gepp & Cia, Ltd	150
Martins, Gregory & Cia, Ltd	125
Soc. Nacional Export, Ltd	125

Gefle

Leon Israel Co S/A	375
E. Johnston & Cia, Ltd	250
Junqueira, Meirelles & Cia	125
H. La Domus & Cia	125
Almeida Prado & Cia	125

Malmoe

Naumann, Gepp & Cia, Ltd	250
Almeida Prado & Cia	187
Leon Israel Co S/A	125

Sundsvall

Junqueira, Meirelles & Cia	125
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Carlstad

Cia Leme Ferreira	125
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Total 11.989

JUNE, 27th

"CABO SANTO TOME"

Buenos Aires

Vidigal, Prado & Cia	200
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JUNE, 27th

"SIRIS"

Havre

Oswaldo Ferreira & Cia	4.019
Hard, Rand & Cia	2.500
Camargo Pacheco & Cia	750
Martins, Gregory & Cia, Ltd	615
Cia Prado Chaves	500
E. Johnston & Cia, Ltd	500
Soc. Mogyana Export, Ltd	250

Total 9.134

JUNE, 27th

"CUYABA"

Havre

Hard, Rand & Cia	750
Oswaldo Ferreira & Cia	506
Cia Prado Chaves	500
Leon Israel Co S/A	500
B. Gonçalves & Cia, Ltd	250
Theodor Wille & Cia, Ltd	250
Exp. Rubiac, Ltd	250
Cia Paulista de Exportação	250
Barros, Pinto & Cia	125
Cia Leme Ferreira	125

Antwerp

Lima, Nogueira & Cia	625
Cia Leme Ferreira	625
Soc. Mogyana Export, Ltd	125
Fed. Paulista Coop. de Café	125
Barros, Pinto & Cia	125
Hard, Rand & Cia	71

Total 5.202

JUNE, 27th

"ALCHIBA"

Rotterdam

Theodor Wille & Cia, Ltd	7.075
B. Gonçalves & Cia, Ltd	1.500
Hard, Rand & Cia	500
Naumann, Gepp & Cia, Ltd	462
Martins, Gregory & Cia, Ltd	125

Hamburg

Sampaio Bueno & Cia	95
Cia Prado Chaves	63

Oslo

Cia Leme Ferreira	125
-----------------------------	-----

Total 9.945

JUNE, 29th

"WEST IRA"

San Pedro

Rebello Alves & Cia	1.464
Hard, Rand & Cia	1.250
Almeida Prado & Cia	750
American Coffee Corp.	550
Theodor Wille & Cia, Ltd	500
Nioac & Cia, Ltd	375
Cia Prado Chaves	150

São Francisco da California

Hard Rand & Cia	1.850
Theodor Wille & Cia, Ltd	917
H. La Domus & Cia	490

Rebello, Alves & Cia 325
Naumann, Gepp & Cia, Ltd 250

Seattle

Rebello, Alves & Cia 625
H. La Domus & Cia 550
Theodor Wille & Cia, Ltd 550
Exp. Café Brasil, Ltd 500
Almeida Prado & Cia 375
Cia Prado Chaves 250
Camargo, Pacheco & Cia, Ltd 250
Zander & Cia, Ltd 250

Portland

Hard, Rand & Cia 1.800
Almeida Prado & Cia 250
Theodor Wille & Cia, Ltd 250

Vancouver

Almeida Prado & Cia 250
Hard, Rand & Cia 150
Cia Prado Chaves 150
Leon Israel Co S/A 150
Theodor Wille & Cia, Ltd 125

Total 15.346

JUNE, 29th

"HIGHLAND PRINCESS"

London

Naumann, Gepp & Cia, Ltd 150
E. Johnston & Cia, Ltd 1

Total 151

JUNE, 29th

"NAVIGATOR"

Helsinki

Theodor Wille & Cia, Ltd 300

Dantzig

Almeida Prado & Cia 147

Wiipuri

Naumann, Gepp & Cia, Ltd 75

Turku

Naumann, Gepp & Cia, Ltd 63

Total 585

JUNE, 30th

"HARDANGER"

San Pedro

Theodor Wille & Cia, Ltd 550
American Coffee Corp. 500
Rebello, Alves & Cia 500
Hard, Rand & Cia 500

San Francisco da California

Hard, Rand & Cia 490
Theodor Wille & Cia, Ltd 383
Rebello, Alves & Cia 250
Lima, Nogueira & Cia 250

Seattle

Rebello, Alves & Cia 500
Hard, Rand & Cia 250
Cia Prado Chaves 250

Portland

Almeida Prado & Cia 375
H. La Domus & Cia 200

Vancouver

Hard, Rand & Cia 250
Theodor Wille & Cia, Ltd 250

Total 5.498

JUNE, 30th

"BELLE ISLE"

Havre

Hard, Rand & Cia 13.350
Theodor Wille & Cia, Ltd 3.375
Cia Leme Ferreira 3.125
Cia Paulista de Exportação 2.125
Nioac & Cia, Ltd 1.307
E. Johnston & Cia, Ltd 1.250
H. La Domus & Cia 1.125
Soc. Mogyana Export, Ltd 875
Exp. Rubiac, Ltd 500
Paiva, Nunes & Cia 500
Martins, Gregory & Cia, Ltd 188
Cia Prado Chaves 150
Almeida Prado & Cia 110
Naumann, Gepp & Cia, Ltd 63

Antwerp

Martins, Gregory & Cia, Ltd 62

Total 28.105

JUNE, 30th

"BORGA"

Buenos Aires

Lima, Nogueira & Cia 675

JUNE, 30th

"JABOATAO"

New Orleans

E. Johnston & Cia, Ltd 2.250
Hard, Rand & Cia 2.000
Cia Prado Chaves 1.000
Almeida Prado & Cia 530
Zander & Cia, Ltd 500
Naumann, Gepp & Cia, Ltd 348
Theodor Wille & Cia, Ltd 250

Total 6.878

Total Overseas 205.606

COASTWISE

JUNE, 19th

"ARARAQUARA"

Porto Alegre

Centola & Cia 70
G. S. Silveira & Cia 50

Total 120

JUNE 29th.

"ARARAQUARA"

Porto Alegre

Centola & Cia, Ltd 93

Total Coastwise 213

**SAMUEL JONES
& CO. LIMITED**

**Paper Manufacturers,
Sub-contractors to the
British, Brazilian and
other Governments.**

**Specialising in Gummed
and coated paper**

**SOLE AGENT
FOR BRAZIL**

CHARLES E. LEE

Caixa Postal, 1867
Rua Th. Ottoni, 127
Telephone 24-3080

RIO DE JANEIRO

•••

Santos Coffee Movement During June, 1936

(Bags of 60 ks.)

Date	Transit	Entries	Despatched	Embarked	Overseas	Coastal	Total	Sales	Base Type 4	Stock	Exchange (Official)
1	20,840	31,723	39,131	13,766	8,443	—	8,443	21,000	168500	2,153,602	578540
2	34,393	31,225	48,775	39,247	2,583	—	2,583	23,000	168500	2,183,571	578540
3	39,907	28,658	35,129	41,247	41,247	—	41,247	20,000	168500	2,173,649	578540
4	32,893	31,820	27,889	28,291	28,291	—	28,291	18,000	168500	2,174,266	578540
5	29,920	31,835	7,651	19,047	26,569	—	26,569	17,000	168500	2,181,330	578540
6	29,683	20,680	3,735	1,974	30,724	—	30,724	12,000	168500	2,184,442	578540
8	17,005	18,789	26,182	4	1,953	20	1,973	19,000	168500	2,203,149	578540
9	19,009	18,100	30,606	28,501	4	—	4	18,000	168500	2,224,262	578540
10	15,576	18,327	26,701	37,598	25,816	—	25,816	10,000	168500	2,216,546	578540
11	55,240	18,644	—	13,194	6,331	—	6,331	8,000	Holiday	2,210,215	Holiday
12	14,983	18,309	52,995	13,963	33,247	—	33,247	15,000	168500	2,195,295	578540
13	13,449	18,343	25,345	18,165	—	—	—	9,000	168500	2,219,089	578540
15	43,690	18,126	60,312	33,388	34,965	—	34,965	15,000	168500	2,211,233	578540
16	8,919	18,167	48,842	43,745	17,359	—	17,359	28,000	168500	2,212,000	578540
17	21,248	18,150	28,231	54,627	34,549	—	34,549	25,000	168500	2,195,618	578540
18	7,158	31,434	9,785	58,637	55,535	—	55,535	23,000	168500	2,162,024	578540
19	25,902	45,414	12,451	13,410	8,593	—	8,593	22,000	168500	2,184,865	578540
20	34,506	31,786	7,358	11,419	71,105	—	71,105	8,000	168500	2,139,174	578540
22	8,068	31,889	42,366	6,914	40,100	—	40,100	18,000	168500	2,150,850	578540
23	19,260	18,458	42,930	47,569	5,157	120	5,277	20,000	168500	2,179,673	578540
24	48,781	18,126	37,372	28,979	57,608	—	57,608	19,000	168500	2,141,869	578540
25	19,367	31,868	35,934	31,468	3,580	—	3,580	21,000	168500	2,157,607	578540
26	39,981	31,743	46,597	35,545	3,388	—	3,388	23,000	168500	2,191,748	578540
27	21,707	32,078	44,238	44,450	45,285	—	45,285	10,000	108500	2,180,449	578540
29	16,715	11,627	7,839	38,181	74,349	—	74,349	10,000	Holiday	2,138,178	Holiday
30	35,154	45,360	81,144	38,873	41,897	93	41,990	23,000	168500	2,104,315	578540
	673,414	670,688	804,379	729,857	695,828	233	696,061	457,000		TOTAL, MONTH	
	10,462,172	10,526,497	10,662,965	10,599,387	10,589,383	3,680	10,593,063	5,627,000		TOTAL, CROP	

Santos, -8th. July, 1936

Coffee reverted to stock during The month 35,047 bags

Meat

**MEAT CLEARANCE DURING WEEK
ENDING JUNE, 26th, 1936
(PER DESTINATION)**

JUNE, 20th.
"BRITTANY"
Liverpool
Frig. Wilson Preserved . . . 6,204

JUNE, 21st.
"DUNSTER GRANGE"
London
Armour Co. Chilled beef . . . 211,535
Armour Co. Frozen offal . . . 23,128

JUNE, 22nd
"PRINCESA"
Liverpool
Frig. Wilson Chilled beef . . . 150,793
Frig. Anglo Chilled beef . . . 73,905
Frig. Wilson Frozen offal . . . 80,589

JUNE, 25th
"ARIZONA MARU"
Cape Town
Armour Co. Preserved 1,800
Singapore
Frig. Anglo Preserved 5,897
Total 553,151

**MEAT CLEARANCES DURING WEEK
ENDING JULY, 3rd. 1936**

(PER DESTINATION)

JUNE, 27th.
"SIRIS"
Antwerp
Frig. Wilson Preserved . . . 41,700

JUNE, 28th
"NAGARA"
Liverpool
Armour Co. Chilled beef . . . 186,264
Frig. Anglo Chilled beef . . . 75,399

JUNE, 29th.
"HIGHLAND PRINCESS"
London
Frig. Wilson Chilled beef . . . 163,684
Armour Co. Frozen offal . . . 35,417

JUNE, 29th.
"AVILLA STAR"
London
Frig. Anglo Chilled beef . . . 309,499
Frig. Anglo Preserved . . . 344,281
Armour Co. Chilled beef . . . 166,674
Armour Co. Without bones . . . 8,172
Frig. Wilson Frozen offal . . . 29,895
Total 1,360,985

STEVEN'S

FOUNTAIN

PENS

-10-

**SOLE AGENT
FOR BRAZIL**

CHARLES E. LEE

Caixa Postal, 1867
Rua Th. Ottoni, 127
Telephone 24-3080

RIO DE JANEIRO

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Fruit

**CLEARANCES DURING WEEK
ENDING 26th, JUNE, 1936 CONFIR-
MATION OF SANTOS FRUIT:
(FROM SANTOS)**

BANANAS IN BUNCHES
JUNE, 21st.

"DUNSTER GRANGE"
London 15,463

Oranges in Cases
"DUNSTER GRANGE"
London 7,425

JUNE, 22nd.
"PRINCESA"
Liverpool 22,141

GRAPE-FRUIT IN CASES
JUNE, 21st.

"DUNSTER GRANGE"
London 80

JUNE, 22nd.
"PRINCESA"
Liverpool 152

LEMONS IN CASES
JUNE, 22nd.

"PRINCESA"
Liverpool 61

**CLEARANCES DURING WEEK
ENDING Jul. 3rd. 1936 CONFIRMA-
TION OF SANTOS FRUIT
FROM SANTOS**

BANANAS IN BUNCHES
JUNE, 29th

"HIGHLAND PRINCESS"
Hamburg 2,500
London 12,606

JUNE, 29th
"AVILLA STAR"
London 9,502

"ORANGES IN CASES"

JUNE, 28th
"NAGARA"
Liverpool 10,762

JUNE, 29th
"HIGHLAND PRINCESS"

London 3,869

JUNE, 29th "AVILLA STAR"		GRAPE - FRUIT IN CASES		JUNE, 29th "AVILLA STAR"	
London	2.764	JULY, 2nd. "LAURA"		London	547
JULY, 2nd. "LAURA"		Antwerp		"FROM SAO SEBASTIAO"	
Hamburg	5.100	190		JUNE, 29th BANANAS IN BUNCHES	
London	2.862	"LEMONS IN CASES"		JUNE, 29th "AVILLA STAR"	
Hook of Holland	7.219	JUNE, 29th. "HIGHLAND PRINCESS"		London	
Antwerp	2.507	London		34 London	
JULY, 3rd. "SALLAND"		Amsterdam		1.500 London	
Amsterdam		1.500		31.0117	

COTTON SUGAR AND RUBBER QUOTATIONS

COTTON SERVICE

Rio de Janeiro, 10th. July, 1936


Liverpool! 12.30 P. M.		4	6	7	8	9	10
São Paulo fair	spot	6.88	6.88	6.82	6.79	7.07	7.13
Pernambuco Maceio fair	. . . . .	6.68	6.68	6.62	6.59	6.86	6.93
American Middling	. . . . .	7.23	7.23	7.27	7.24	7.52	7.58
American futures	October	6.37	6.39	6.43	6.39	6.67	6.73
	January	6.24	6.26	6.30	6.26	6.53	6.59
	March	6.22	6.25	6.29	6.25	6.51	6.57
	May	6.21	6.24	6.28	6.24	6.49	6.55
New York	American Middling Uplands	Holiday	12.62	12.69	13.23	13.28	13.65
"	" futres	October	11.83	11.87	12.48	12.46	12.75
		January	11.87	11.85	12.45	12.48	12.76
		March	11.87	11.86	12.43	12.52	12.76
		May	11.94	11.88	12.44	12.50	12.75

SUGAR SERVICE

New York futures	September	Holiday	2.80	2.82	2.82	2.83	2.84
	December		2.68	2.74	2.74	2.78	2.79
	January		2.54	2.56	2.57	2.60	2.62
	March		2.50	2.52	2.53	2.58	2.58
London futures	July	4/3	4/4 1/2	4/4 1/4	4/4 1/2	4/4 1/4	4/4 1/2
	August	4/4	4/5 1/4	4/5	4/5	4/5 1/4	4/5 1/4
	September	4/4	4/5 1/4	4/5 1/4	4/5	4/5 1/4	4/5 1/4
	October	4/4	4/5 1/2	4/5 1/4	4/5	4/5 1/4	4/5 1/4

RUBBER SERVICE

Upriver fine	Holiday	17 1/2	17 3/4	17 3/4	17 1/2	17 1/2
Smoked Sheets		16 3/8	16 1/2	16 1/2	16 1/2	16 5/8
Market		Steady	Firm.	Calm	B-Steady	Steady



FINLAND SOUTH AMERICA LINE

SUOMEN ETELA-AMERIKAN LINJA

FORTNIGHTLY SAILINGS FROM SANTOS, RIO DE JANEIRO AND VICTORIA DIRECT TO POLAND (GDYNIA), DANZIG & FINLAND.

<i>Next sailings:</i>	<i>From Santos</i>	<i>From RIO</i>	<i>From VICTORIA</i>
"HERAKLES"	July 15	July 17	July 19
"ORIENT"	July 21	July 23	July 25

RIO DE JANEIRO — WILSON, SONS & CO. LTD. — AV. RIO BRANCO, 37 — TEL. 23-1532
AGENTS: SANTOS — FINLAND SOUTH AMERICA LINE — R. 15 NOVEMBRO 183 — TEL. 5-379
VICTORIA — CARL BOLL — CAIXA POSTAL 23.

FREIGHT MARKET

RIVER PLATE CHARTERS FOR WEEK ENDING July, 4th 1936

Name of Steamer	Where to load	Freight	Destination
A steamer 5800 tons, 10%, July 25-30,	Rosario	17/9	p. p. U. K.
A steamer 6500 tons, 10%, August 10-17.	Rosario	17/9	p. p. U. K.
ss "GLANDENE" (Br). 6500. tons, August 5-15	S/L.	17/9	p. p. U. K.
ss "TORDENE" (Br). 6500 tons, August 10-15	S/L.	17/9	p. p. U. K.
A steamer 6200 tons, 10%, July 17-23	Rosario	17/9	p. p. U. K.
ss "ILLISSOS" (Gr). 7000 tons, 10%, July 20-30	S/L.	14/3	Canada
ss "STAMOS" (Gr). 6400 tons, 10%, July 25 August 5	S/L.	17/9	p. p. U. K.
ss "ERRINGTON COURT" (Br). 5500tons,10% spot	S/L.	19/7	p. p. U. K.
ss "RAMILLIES" (Br). 6700 tons, 10%, July 25-Aug. 10	S/L.	14/—	Los Angeles/Vancouver.
ss "RUPERRA" (Br). 6600 tons, 10% Aug. 1-20	S/L.	17/9	p. p. U. K.
ss "GEORGIOS G." (Gr). 5800 tons, 10%, July 10-28	Buenos Aires,	16/9	p. p. U. K.
ss "GEORGIOS G." (Gr). 5800 tons, 10%, July 10-28	S/L.	17/9	p. p. U. K.

Note: With minimum rates, apart from strict spot tonnage, to be raised on July 6, shippers were eager to arrange for their requirements yesterday (July 3rd) and seventeen charter were reported — at old rate — as under: —

ss "FLOWERGATE", 5600 tons, 10% July 25-Aug. 10	Rosario	17/9	p. p. U. K.
ss "NICETO DE LARRINAGA", 7850tons,10%, August 25-Sept. 15	S/L.	17/9	p. p. U. K.
ss "HARMATTAN" (Br) 6800 tons, 10%, July 20-28	—	—	—
ss "LARPOOL" (Br). 5700 tons, 10%, July 15-25	S/L.	17/9	p. p. U. K.
ss "KOUMDOUNDROUS" (Gr). 5500 tons, 10%, August 1-15	S/L.	17/9	p. p. U. K.
ss "ZEUS" (Gr). 6700 tons, 10%, 6-10	Necochea	17/3	p. p. U. K.
ss "MOUNT CYNTHOS" (Gr). 7000 tons, 10% July 10-15	S/L.	14/—	Los Angeles/Vancouver.
mv "ARGENTINA" 5900 tons, 10%, July 27-Aug. 5	S/L.	17/9	p. p. U. K.
ss "GRAIG" (Br). 5900, 10%, July 20 - Aug. 5	S/L.	17/9	p. p. U. K.
ss "NORTH DEVON" (Br). 5500 tons, 10%, Aug. 1-15	S/L.	17/9	p. p. U. K.
ss "HINDUSTAN" (Br) .6000 tons, 10%, July 20-25	S/L.	17/9	p. p. U. K.
ss "SALTERGATE" (Br). 5800 tons, 10%, July 20-31	S/L.	17/9	p. p. U. K.
A steamer 5800 tons, 5800 tons, 10%, August 5-15	S/L.	17/9	p. p. U. K.
ss "NEWTON POINT" (Br). 6800 tons, 10% Aug. 5-25	S/L.	17/9	p. p. U. K.
ss "NEWTON POIN" (Br). 6800 tons, 10%, Aug. 5-25	S/L.	14/6	Canada
ss "GEOGE M. LIVANOS" (Gr). 6400 tons, 10% Aug. 25-Sept. 20	S/L.	17/9	p. p. U. K.
ss "RITA CHANDRI" (Gr). 6800 tons, 10% Aug. 5-20	S/L.	17/9	p. p. U. K.
ss "MOUNT KATHERON" (Gr). 6000tons, 10% Aug. 12-28	S/L.	17/9	p. p. U. K.

SHIPPING

MOVEMENTS OF VESSELS:
FURNESS PRINCE LINE
(HOULDER BROTHERS & CO
(BRASIL) LTD AGENTS)

M/. "EASTERN PRINCE" leaves Rio
23rd July for Trinidad and New
York.

M/S. WESTERN PRINCE" due Rio
de Janeiro from New York 24th

July. S8ETAOINETAOI

July: sails for Santos, Montevideo
and Buenos Aires.

M/S. "WESTERN PRINCE" leaves
Rio 6th August for Trinidad and
New York .

M/S. "NORTHERN PRINCE" due Rio
de Janeiro from New York 7th
August, sails for Santos, Montevi-

deo and Buenos Aires.

M/S. "NORTHERN PRINCE" leaves
Rio 20th August for Trinidad and
New York.

M/S. "SOUTHERN PRINCE" due Rio-
de Janeiro from New York 21st
August, sails for Santos, Montevi-
deo and Buenos Aires.