









DEPARTMENT OF OVERSEAS TRADE.

Economic Conditions  
IN  
**BRAZIL**

*December, 1930.*

REPORT

BY

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TOGETHER WITH

**REGIONAL REPORTS BY H.M. CONSULAR OFFICERS,**

AT

*São Paulo, Bahia, Pernambuco, Pará and Porto Alegre.*



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## DEPARTMENT OF OVERSEAS TRADE.

### COMMERCIAL REPRESENTATION ABROAD.

To foster British overseas trade, the Department has developed and controls the following Services of Commercial Intelligence Officers:—

#### 1. IN THE EMPIRE.

##### *The Trade Commissioner and Imperial Trade Correspondent Services.*

At the present time there are 15 Trade Commissioners' offices. These are situated, four in Canada (Montreal, Toronto, Vancouver, Winnipeg); two in Australia (Sydney, Melbourne); South Africa (Capetown, Johannesburg); and India (Calcutta and Bombay—to cover also Ceylon); and one each in New Zealand (Wellington), Irish Free State (Dublin), British East Africa (Nairobi), British West Indies (Trinidad) and Malaya (Singapore).

The Trade Commissioners in the Dominions have the assistance of Imperial Trade Correspondents at a number of important centres.

In various parts of the Empire in which at present there are no commissioners, there are correspondents with whom the Department deals direct.

#### 2. IN FOREIGN COUNTRIES.

##### (a) *The Commercial Diplomatic Service attached to the British Diplomatic Missions.*

This service consists of 36 officers who are stationed in all the more important foreign markets of the world. The members of the Commercial Diplomatic Service are styled "Commercial Counsellors" in the highest grade, and "Commercial Secretaries" in the two lower grades. They are members of the staff of the British Embassy or Legation in which they serve.

The Commercial Diplomatic Officer has general supervision over the commercial work of the consular officers in his area and, with the co-operation of these two services, a complete network of Government commercial representatives is thrown over foreign countries.

The Department is represented in Brazil by Mr. S. G. Irving, Commercial Secretary, and Mr. J. G. Lomax, M.B.E., M.C., Second Commercial Secretary, His Majesty's Embassy, Rio de Janeiro.

##### (b) *The British Consular Service.*

Particular attention has been given to the commercial side of consular work since the re-organisation of the service. In certain countries where no Commercial Diplomatic Officer is stationed the senior Consular Officer undertakes duties of a similar character.

Further information regarding the above services can be obtained on application to the Department of Overseas Trade, 35, Old Queen Street, London, S.W.1.

Members of British firms are urged to call upon the Department's representative abroad when they visit an overseas country. It is also important that they should make a point of their representatives abroad keeping in close touch with the Department's officers.

#### NOTE.

*It should be understood that the views expressed in annual reports are the views of the officers themselves, and are not necessarily in all respects those of the Department.*

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## COMMERCIAL SUMMARY.

<i>Area</i> ... ..	3,300,000 sq. miles
<i>Population</i> (Government estimate, 1st January, 1930) ... ..	40,272,650
<i>Total Notes in circulation</i> ... ..	£83,000,000 (equivalent)
<i>Exchange Rate</i> : Paper Milreis, Dec. 1st, 1930 ...	4 $\frac{3}{8}$ d.
Gold ,, ... ..	27d.
1 Conto = 1,000 Milreis, or approximately	£20
(Rs. 20:000\$000 = 20 Contos, or 20,000 Milreis or 20,000,000 Reis.)	
<i>Federal Government Revenue</i> , 1930 estimates ...	£61,046,243 (approx.)
"    " <i>Expenditure</i> ,, ...	£58,885,073 ..
<i>Imports</i> , 1929 ... ..	£86,653,000
"    " <i>from United Kingdom</i> ... ..	£16,644,035
<i>Exports</i> , 1929, <i>total</i> ... ..	£94,831,000
"    " <i>Coffee</i> ... ..	£67,307,000
<i>Imports</i> , January to September, 1930 ...	£42,786,000
<i>Exports</i> " " " ...	£54,600,000
<i>Railway Mileage</i> , 1930 ... ..	20,070 miles
<i>Road</i> , 1930 ... ..	75,000 ..
<i>Agricultural Production</i> , 1929, estimated ...	£152,989,000
<i>Industrial Production</i> , estimated (manufactures, 1929) ... ..	£200,000,000
<i>Water Power</i> ... ..	25,000,000 h.p.
"    " <i>developed</i> ... ..	500,000 ..

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## HINTS FOR COMMERCIAL VISITORS.

As a rule the best time for travellers to visit Brazil is during the winter (May-October). Not only is this season the best from a health point of view, but it is also the time when dealers order stocks, in anticipation of the most active retail selling period, which is during the summer. Firms interested in Government tenders are advised to visit Brazil in the early part of the year, between January and April, when Government Departments are engaged in working out their programmes of expenditure.

Good passenger services to Rio de Janeiro from England are maintained by the Royal Mail Steam Packet Co., from Liverpool and Southampton, the Blue Star Line and the Nelson Line, from London. The Blue Star ships have no second-class. The return first-class minimum fare to Rio de Janeiro is from £100 to £140 approximately, according to the ship.

The principal towns of Brazil which should be visited, in order of importance are :—

- (a) Rio de Janeiro, São Paulo.
- (b) South—Porto Alegre, Curitiba.
- (c) Centre—Bello Horizonte.
- (d) North—Bahia, Pernambuco, Ceará, Maranhão, Pará, Manaus.

The minimum time required by a commercial traveller or representative including the journey from Rio de Janeiro, but excluding time spent in travelling between England and Rio de Janeiro, is as follows :—

- (a) 4 weeks.
- (b) 4 „
- (c) 4 days.
- (d) 3 months.

Travellers usually take a full range of samples to the first two above-named cities (a), and a condensed selection to the others. While visiting São Paulo the opportunity should be taken of making flying visits to some of the towns within easy reach by rail, such as Campinas.

Communications between Rio and São Paulo can be either direct by rail (one night's journey; good sleeping accommodation) or by steamer and rail, via Santos. All the other towns mentioned above are best reached by sea, except Bello Horizonte (rail journey of 36 hours; sleeping cars obtainable) and Curitiba, to which access is by sea to Paranaguá and a short rail journey.

There are two important steamship companies operating passenger services on the coast of Brazil :—the *Lloyd Brasileiro*, which is partly Government-owned, and the *Cia. Nacional de Navegação Costeira*, a privately-owned steamship line. The larger ports are also visited by foreign steamship lines, which are allowed to carry passengers coastwise, but not cargo.

Railway fares vary on the different system; no universal rate having been adopted. It may be assumed that fares are as a whole cheaper than in the United Kingdom. All baggage by rail must be paid for. Meals are usually provided in restaurant cars on long-distance journeys, at approximately hotel prices. Sleeping berths are charged for by a supplement added to the ordinary fare. Tips are a great aid to smooth travelling.

Tram fares in Brazil are generally below those of the United Kingdom, fares of Rs.0\$100 (½d.) being common. The usual minimum fare is Rs.0\$200 (1d.). Taxis commence to mark at Rs.2\$000 (1s.), and distance charges are reasonable. The time rate in Rio de Janeiro is Rs.15\$000 (7s. 6d.) an hour.

Auto-omnibus lines are common in all the principal centres of Brazil, at prices from two to three times those of the tram services. Rio de Janeiro is especially well served by 'buses.

At the best hotels in Rio and São Paulo a traveller can live at from £2 to £2 10s. per day, exclusive of extras. Second-class hotels may run to £1 or £1 10s. per day. Hotels at other large towns compare with the second-class in Rio de Janeiro in both price and comfort. In the interior the accommodation is not generally good, and prices are about that of the second-class hotels in Rio de Janeiro. A list of suitable hotels is appended. As regards tipping, the rules applicable to travelling in Europe will serve in Brazil. Ten per cent. is a workable basis. A sympathetic treatment of servants and hotel employees goes a long way.

An allowance of £1 per day is suggested for entertaining and incidental expenses.

Commercial travellers' samples, if of no commercial value, are exempt from import duty. Samples of any value must be accompanied by a consular invoice and a consular certificate giving a detailed description. Temporary free admission may be obtained against security, which may take the form of a bond or a deposit of the duties, but such bond or deposit can only be released by presenting a certificate that the samples have arrived at their next destination. The ratification by the Brazilian Government of the Geneva Convention for the simplification of Customs formalities may lead to the removal of this difficulty, but under the existing conditions it is the practice of some travellers to pay the duties and sell their samples on the completion of their visit, having first arranged for a new set to be sent ahead to their next destination.

All commercial travellers to Brazil should travel first class on the steamer in order to avoid emigrant restrictions, which apply to second and third-class passengers. On arriving at an hotel visitors should register their names in order to comply with police regulations. This is not always enforced, but may be so, especially in up-country towns. Vaccination certificates are continually asked for at the ports; by rail they are not needed. To avoid possible complications, British subjects travelling in Brazil should register at the British Consulate, where there is one.

Winter climatic conditions are similar to those of European summer in the centre and south of Brazil. In the north winter is a season of tropical rains. Summer conditions all over Brazil are tropical, with a damp heat ranging between 80 and 100 degrees Fahrenheit (October-March). Only the lightest clothing, such as palm beach or white drill, and straw hats or Panamas, is suitable for summer. For winter in the south light summer suitings and felt hats are usual. Light footwear should be worn, as the hot pavements tire the feet. All clothing in trunks, boxes, etc., should be protected by naphthalene balls. Airtight trunks are to be preferred.

The following are the principal Bank holidays for 1931, in addition to the Monday and Tuesday of Carnival, Ash Wednesday (up to midday), Thursday of Holy Week (from midday), and Good Friday:—

1st January	National holiday and Saint's Day.
20th "	Municipal holiday (Rio de Janeiro).
1st May	Labour Day.
1st July *	Bank holiday (balance of accounts).
7th September	National holiday, Independence Day.
20th "	Municipal holiday (Rio de Janeiro).
30th October	National holiday ("empregados do commercio"—half-day).
2nd November	" "
15th "	" "
25th December	" "

*List of Hotels in the principal Towns of Brazil.**Rio de Janeiro—*

Gloria Hotel.  
 Copacabana Palace } Hotel.  
 Palace Hotel.

*São Paulo—*

Esplanada Hotel.  
 Hotel Terminus.

*Bello Horizonte—*

Grande Hotel.

*Porto Alegre—*

Grande Hotel.

*Curitiba—*

Grande Hotel.

*Bahia—*

Grande Hotel.  
 Hotel Meridional.

*Ceará—*

Hotel de France.

*Pará—*

Grande Hotel.

*Pernambucc—*

Palace Hotel.

Recife Hotel.

Central Hotel.

Hotel do Parque.

*Maranhão—*

Hotel Central.

REPORT on ECONOMIC CONDITIONS in  
BRAZIL.

*December, 1930.*

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NOTE.—Owing to the change of Government, which took place whilst this report was in the course of preparation, the supply of statistical information and the publication of many of the State "Messages" have been temporarily suspended. In particular financial and budgetary information is lacking in many cases. This will serve to explain the absence of many details usually found in previous reports issued by the Department on Brazil.

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I. GENERAL SURVEY.

The year 1930 has been one of ever deepening depression. The fall in coffee prices which begun in 1929, obscuring the prospects for 1930 with a cloud of gloomy foreboding, continued throughout the year, and though a complete collapse was averted by the flotation of a loan to the Coffee Defence Institute, the terms of this loan, involving the liquidation of vast stocks, seem to preclude the possibility of a substantial price recovery for at least the present and the coming season. The full effect of low coffee prices will be understood when it is remembered that three-quarters of the prosperity of Brazil is dependent directly upon coffee exports.

In addition to the embarrassments arising from the coffee crisis and accentuated by the world-wide depression, the imminence of the Presidential Elections and the general uncertainty in political affairs inevitably exercised a disturbing influence upon commerce and industry. These internal and political alarms culminated in a nation-wide revolution which practically brought to a standstill the march of ordinary financial and commercial affairs. A moratorium has been declared until the 15th February, 1931, but it may be doubted whether even this period will suffice to re-establish and reorganise the official bases of reconstruction and stability. At the moment the general position and particularly the state of the National Exchequer and the exchange is obscure. During six weeks in October and November foreign exchange business was officially restricted to the Bank of Brazil, which bought and sold only at fixed rates; thereafter restrictive regulations were decreed governing the conduct of exchange transactions by other banks. Such a policy, how ever necessary as an emergency measure, hardly served to support the exchange which had suffered a long period of weakness, and rates lower than those

of September, 1930, prevailed when ordinary transactions were resumed. Weakness in exchange developed in July when quotations dropped from the stabilisation rate of  $5\frac{29}{64}d.$  to about  $5\frac{11}{32}d.$  and to a low record of  $5\frac{1}{16}d.$  for 90 day sight bills in August. After the revolution an official rate of  $5\frac{1}{4}d.$  was maintained for a short period only to drop to about  $4\frac{1}{8}d.$  after the November restrictions were removed.

The extent of the commercial setback can best be estimated by a brief glance at the trade statistics for the first nine months of the year. These will be found in the tables accompanying this report. (Appendix VIII.)

During the first half of the year the Treasury figures showed a surplus of revenue, and the exchange was well maintained with a tendency to improve. Later figures of Government income and spending are not available at the time of writing, but it may be assumed that the revenue decreased and expenditure multiplied during October and November, not only in the Federal Union but also in the States. During these months it was found necessary to ship abroad almost the entire gold deposits lying in the Stabilisation Office, which was officially closed during the last week of November. Owing to the dissolution of all legislative bodies by the Provisional Government the annual budgets for 1931 were not voted.

Industrial conditions have been extremely depressed, particularly in the textile industries, which have been working only three and four days a week. Purchasing power has naturally been greatly reduced and imports have fallen in consequence almost 30 per cent. during the first half of the year. Exports increased slightly in volume, but fell in value about 20 per cent. Considerable increases occurred, however, in the tonnage, and in many cases in the value of almost all export commodities except coffee, a circumstance which affords promise when normal conditions of world trade return.

**The Revolution of October, 1930.**—It is not usual to refer to political affairs in these reports. The revolution of 1930, however, marks an important epoch in the economic and social life of the country, and in this respect must be regarded as the major event of the year's history. The revolution itself, which was accomplished with the minimum of disturbance and bloodshed, was based on a demand for a drastic change of policy in general, and a root and branch reform of the public services as the basis of a thorough going reconstruction of the economic life of the country.

It is too early to venture an opinion as to the detail of reform and the period necessary to bring these changes into full effect, but it is possible to indicate the general objects and aims of the new Government, the vital importance of which will be self-evident.

The programme of the revolution is set forth in a brief announcement made by Snr. Getulio Vargas on the occasion of his taking over the leadership of the Provisional Government. The whole programme consists of 17 items, but for the purpose of this report it is only necessary to refer to those having a direct bearing upon commercial, financial or economic affairs:—

Briefly summarised these are as follows:—

The re-organisation of the judiciary.

Consolidation of the Administrative system, simplification of complicated legislation, and reduction of the number of public officials to an indispensable minimum.

Rigorous economy, cutting all unnecessary expenditure.

Re-organisation of the Ministry of Agriculture, and the general encouragement of production in exportable products.

Revision of the tax system with a view to sheltering national production, abandoning the protection given to industries which do not utilise national products, but serve to increase the cost of living and to encourage smuggling.

Establishment of a Ministry of Labour.

Organisation of a general Road and Railway plan for the whole country, with a programme of gradual execution according to public necessity.

The insistence in this programme upon the necessity of encouraging the development of primary sources of wealth, and the significant reference to the undesirable consequences of creating artificial industries, indicate that the new Government recognises that the country's future prosperity, not less than immediate recovery from the present depression, must be based upon the development of natural resources and particularly upon an increased production of a diversified range of agricultural products. It is equally evident that a clear understanding exists of the un wisdom of creating, by means of high tariff rates, industries for whose existence there is no sound economic reason. Such industries operate inevitably to disintegrate the social organisation of the country, firstly by attracting workers from the land and thus creating an unstable labour surplus in the large cities, and secondly by increasing the cost of living. Experience also shows that these unsound industries can only live by constant additions in the tariff wall, that as the tariffs rise the number of factories naturally increase; overproduction follows, ending, for want of any outlet for the surplus production, in commercial failures and widespread unemployment. At the same time the capital, instead of being reproductively employed in the development of national communications and the exploitation of natural resources, is fruitlessly dissipated.

If the economic ideals enumerated in this declaration of policy are followed up, a rapid emergence from the present difficulties will undoubtedly result, for the past has shown the recuperative capacity of the country. The accomplishment of this programme, furthermore, would remove many of the difficulties involved in the import trade with this market. The overseas observer, therefore,

whether looking to Brazil for raw materials or for markets, has reason to anticipate an era of stability and prosperity.

**Tariff Revision.**—There is reason to believe that the Provisional Government favour a revision of tariff policy, and that a Tariff Bill when presented to the next Congress will find a powerful body of supporters. The question of tariff reform is one which is engaging the attention of the best brains in the Republic, and the general direction of opinion seems to favour the plan of a scientific tariff for revenue only. Whatever the outcome of the studies on this vitally important subject, however, in which opinion and interest are certain to be radically divided, and upon which the economic future of the Republic depends in no small degree, all parties agree that the existing tariff is obsolete in form and involves serious complications in administration. The basis of the present tariff is a law many years old; innumerable changes and rulings have been added by the Tariff Commission, and it is worked on a complicated system of calculation partly in gold and partly in paper. The result is an uncertainty involving disadvantage to all concerned. Owing to inadequate classification it is often impossible for an outsider to calculate the rates payable upon many commodities; rulings also sometimes vary according to the port in which they are given. The calculation of *ad valorem* duties is particularly complicated and unsatisfactory. The simplification and standardisation of the tariff and the introduction of a uniform and modern system of administration, with machinery for securing drawbacks upon re-exports, would be an important step forward and would remove one of the most serious difficulties in selling to this market.

**Visits of British Commercial Missions.**—*The D'Abernon Mission.*\*—In spite of the economic misfortunes which descended upon the market in the autumn of 1929 immediately following the departure of the Mission, the opportunities for the expansion of British trade to which Lord D'Abernon drew attention are still open, and the way has been cleared for a completer understanding of the advantages and opportunities of a greater development in Anglo-Brazilian trade exchange. The Mission accomplished much beside. In the first place it concentrated attention in the United Kingdom upon the potentiality of this market, and encouraged British exporters to turn their attention to the study of the Republic's peculiarities and requirements. It also achieved much by convincing Brazilian interests of the practical desire of H.M. Government to foster a closer economic relationship, and by concentrating official Brazilian attention upon the vast possibilities in our open markets for cotton, tobacco, fruit and meat, not to mention a variety of other products which Brazil produces. It is not without interest to note that a recent article in the premier Brazilian economic periodical pointed out that the

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\* "Report of the British Economic Mission to Argentina, Brazil and Uruguay," published by H.M. Stationery Office, price 1s. net.



policy of commodity exchange advocated by Lord D'Abernon is found to accord exactly with the policy set forth more recently by the Provisional Government.

*Visit of the Master Cutler.*\*—In August Mr. A. K. Wilson, the Master Cutler, and a group of gentlemen representing the Sheffield industries, arrived in Rio de Janeiro as a special Trade Mission to study *in loco* the market conditions, requirements and possibilities. The Mission was well received in official and commercial circles, and found ample opportunity to pursue its investigations into every phase of the importation and distribution of Sheffield wares. A practical and systematic study was conducted and the Mission, having also visited São Paulo, left Brazil with a volume of detailed information which, placed at the disposal of the executives of the Sheffield industry, should result in improved trade.

*Herbert Whitworth, Limited, Scholars Visit and Report.*†—Passing from the Sheffield to the Manchester industries mention must be made of the reports made by the two Herbert Whitworth, Limited, scholars, Mr. H. Roland Fothergill and Mr. R. Gow Stevenson, who spent nine weeks in Brazil engaged in an intensive study of the textile markets and industry from the point of view of the Lancashire exporter. The reports made by these two gentlemen are deserving of the most careful study by firms interested in this market, and by sales representatives and travellers for Manchester goods.

The visits of expert representatives of individual industries and the wide distribution of their reports cannot fail to be of value to British exporters.

*Visits of Business Executives.*—The above, however, are pioneer efforts, and it should never be forgotten that efficiency and safety in trading in Brazil depend upon detailed, exact and up-to-date knowledge of the prevailing conditions affecting each industry. Every British house doing business in Brazil, or hoping to do business, should study the market by means of frequent personal visits made by executive members of the firm. It is not sufficient that these should pursue their investigations in published reports or at second hand. Knowledge of the effective means of reaching the market and supplying its peculiar requirements can only be obtained satisfactorily on the spot by directors and managers thoroughly conversant with, and controlling the policy of, the production and sales branches. Furthermore, it cannot be too often stated that the value of personal contact is paramount in enlisting the goodwill and retaining the patronage of Brazilian customers.\* Friendship usually means more to the warm blooded Latin than profits, and once this confidence is established by personal touch, loyalty takes the place of the ordinary business

\* "Report of the Sheffield Industrial Mission to South America," August-November, 1930, published by H.M. Stationery Office price 1s. 3d. net.

† Copies of the Reports can be obtained on application to the Manchester Chamber of Commerce.

ties, and a valuable connection, outlasting the cold exigencies and inevitable vicissitudes of buying and selling, is established.

No further inducement should be necessary, but it may be remarked that a visit to Brazil has other advantages. The climate from May to November is always healthful and usually delightful. The gaiety and charm of Rio de Janeiro and its striking beauty are almost without parallel. The inhabitants are attentive and hospitable. A business tour to Brazil may also be an ideal holiday.

## II. TRADE.

### IMPORTS.

A combination of events, financial, industrial and political, has contrived with cumulative effect throughout the year to bring about a drastic reduction in general purchasing power. The fall in receipts from the coffee movement in spite of an increase in volume, the declining exchange, the industrial depression and unemployment, and, finally, the general dislocation of business in consequence of the political disturbances in October, all conspired to reduce the volume of imports by aggravating credit troubles and by restricting the demand. Despite fractional rallies in isolated instances or districts, the placing of orders has fallen below the normal in practically all lines. At the moment of compiling these notes (November) all these conditions, with the exception of the political factor which is now stable, are adverse. The exchange situation is still obscure, all business is subject to official control, and it cannot truthfully be said that any grounds for predicting an early improvement exist. Taking a longer view, however, we may be justified in seeing the prospect of a reaction in the increased favourable balance of exports, and more particularly in the production and export of a variety of raw materials, the shipment of which will eventually re-establish the economics of the Republic upon a sounder fundamental basis—the basis of diversified primary sources of wealth.

During the first nine months of the year 1930 imports registered a decrease of over £23 million sterling (from 66·4 to 42·7 million sterling) with a corresponding decline in tonnage, compared to the imports for the period January-September, 1929. It is satisfactory to note, however, that in the same period the export balance increased in value to £11·8 million sterling as compared with the balance of £5·7 million sterling in the corresponding period of 1929. The 1930 nine months' export balance was indeed considerably larger than that of any previous year since 1925.

**Imports from the United Kingdom.**—Compared with the corresponding period for 1929 the value of imports from the United Kingdom in the first six months of 1929 decreased by about £2,800,000 (i.e. from £9·0 million to £6·2 million), approximately in the same proportion as the general decline in the value of all imports. During the same period, however, imports from

the United States fell by almost 50 per cent., and those from Germany by almost two-fifths. British trade, therefore, has clearly suffered less as a result of the general depression than that of its principal competitors, an indication of the relative stability and soundness of our export movement. With regard to the factors operating to restrict or expand the volume of British trade and the trade of foreign competitors respectively in this market, the reader could not do better than to refer to the published report of the D'Abernon Mission which visited Brazil in September, 1929. As this report\* very clearly pointed out, the success of the trade of the United States has been largely built up in articles the demand for which arises from an increased standard of living, notably motor cars, radio sets, electric vacuum cleaners and ice boxes, gramophones and the like. During the past few months, however, the lack of purchasing power has brought about extraordinary decreases in imports of this nature. The imports of motor cars, for example, fell from over 51,600 cars in the first nine months of 1929 to 1,573 during the same period this year. It is not to be expected that imports of these luxury articles will return to 1929 levels for some years, and meanwhile there is reason to hope that British manufacturers will be in a better position to compete, particularly in the sale of motor cars. Indeed with the extraordinary improvements in the models of British cars, the development of production methods and consequent reduction in prices, there is no reason why a reasonable degree of success should not attend the pioneering efforts of those British firms whose present plan of expansion includes an effort to enter this market.

**Brazilian Textile Industries and Imports.**—Brazilian industry now produces about 85 per cent. of the market requirements; only the higher grades of cottons are now imported; one or two Brazilian mills are spinning 80's yarn, but the majority cater only for the coarser material. The home industry enjoys the protection of a high tariff, low wages, and in many cases is well equipped.

Our chief foreign competitors are the United States, France and Germany, the latter doing the largest business in unbleached cloths.

Throughout the year there has been a very considerable accumulation of stocks resulting both from over-production and from over-importation in 1929, prior to the increases in textile tariff duties in April of that year. The coffee collapse in the later months of that year restricted the normal demand, and in spite of the heavy decline in imports and the fall in domestic production considerable stocks are still reported.

**Cotton Piece-goods.**—During the first nine months of 1930 the value of these imports fell to £573,000, as compared with

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\* See note \* on page 13.

£2,403,000 in 1929 and £2,997,000 in 1926. It is not necessary to ascribe any peculiar cause for this decline other than the reduced purchasing power of the country, the effect of which has caused the domestic industry to reduce its production to something like 80 per cent. of the normal. During the same period imports of made-up cotton goods fell from £444,000 in 1929 to £203,000 in 1930.

**Woollen and Linen Piece and Made-up Goods.**—These suffered somewhat less in proportion. Imports of the former fell from £836,000 in 1929 (January to September) to £394,000 in 1930; the latter from £295,000 to £164,000.

Imports of *raw wool* declined about 46 per cent. in value.

**Coal and Fuels.**—The tonnage of *coal* imported during the year 1929 increased slightly. The quantity imported from January to September, 1930, was 1,544,277 tons, as against 1,769,626 tons for the corresponding period in 1929. In this connection it is necessary to remark that according to a report from a reliable quarter an order by the Central Brazilian Railways for upwards of 150,000 tons was placed in Germany at a price of about 2s. per ton less than that of South Wales coal.

Imports of *fuel oil* during the same period increased in value from £611,000 (246,952 tons) in 1929 to £700,000 (273,489 tons) in 1930, but *petrol* decreased from £2,586,000 value to £2,538,000. Firms engaged in the import of *fuel oils* will be interested to learn that apparently successful experiments have been made during the year with *motor-alcohol* as a fuel for internal combustion engines. This product may be derived entirely from Brazilian grown products, notably sugar cane. It is stated that a company has been formed for the exploitation of this fuel, which is known as "*Azulina*."

**Motor Cars and Vehicles.**—Imports as already mentioned have declined almost to the disappearing point, i.e. 1,573 for the first nine months of 1930 as against a normal market demand of about 25,000 in previous years. The greatest fall has taken place in the low and moderate priced cars; the decline in sales of the most expensive models has been less remarkable.

The fall in price of *other vehicles* has been hardly less extraordinary, namely from £1,648,000 value in 1929 to £415,000 in 1930.

**Machinery, Tools, Metals and Structural Materials.**—All these suffered a substantial decline, owing chiefly to the cessation of public works orders and general curtailment of industrial development. *Machinery* fell below the 1929 level of value of imports during the nine months, while *iron and steel manufactures* declined to about £3,500,000 in value as compared with £5,581,000 in 1929 first nine months. *Copper and other alloy* imports likewise fell in value by about £200,000 from a total of £715,000 in 1929.

Imports of *cement, lumber and steel* declined approximately in comparison, the first-mentioned suffering least on the general curtailment of demand for structural materials.

**Foodstuffs.**—In these lines the level of import values was well maintained. The total imports of the whole classification declining about 12 per cent., with an even smaller percentage fall in the quantity of imports.

**Live Animals.**—Imports of these declined from 10,120 head in the first nine months of 1928 to 6,775, and 3,401 in the first nine months of 1929 and 1930 respectively.

**Paper.**—Though paper imports in general have decreased somewhat, i.e. from £1,322,000 to £1,080,000 during the first nine months of 1929 and 1930 respectively, the value of the United Kingdom share in the business has been relatively well maintained. This is attributed chiefly to the energy of several manufacturers whose distribution system in Brazil is remarkably efficient. The Brazilian paper industry is said to be the most highly developed in South America, and supplies the bulk of the demand for *coloured and coarse grade papers*, including *kraft and wrappings*.

**Miscellaneous Imports.**—During the first nine months of 1930 imports of *rubber manufactures* declined almost 50 per cent. as compared with the corresponding period of 1929, which was an exceptionally good year. The bulk of the decline is accounted for by the decreased demand for *tyres and inner tubes*, and *automobile accessories*.

*Earthenware, china and glassware* imports fell during the same periods from £913,000 in value to £533,000. A 20 per cent. decrease took place also in *chemical, drug and pharmaceutical* imports by value.

#### EXPORTS.

For the first nine months of 1930 as compared with the corresponding period in the previous year Brazilian exports decreased in value approximately £18 million sterling (from £72.1 to £54.6 million), in spite of an increase in tonnage of exports amounting to about 15 per cent. Substantial increases occurred in the volume of the following exports:—Lard, meat, wool, cotton, rice, sugar, cocoa, coffee, bran, fruits, tobacco, tea (Maté), maize, vegetable oil. Except in the case of coffee, the value of these items also increased. In the case of minerals the volume fell considerably with a slight increase in the value. In other words, the net fall in value of export was due entirely to the low level of coffee prices. It is clear, therefore, that in terms of production considerable progress is being made, and particularly in those items, which will eventually compensate for the loss of national wealth from coffee

production. The full extent of the decline in the value of coffee exports will be understood from the following simple comparison of the average value of a sack (60 kilos) of coffee during recent years:—

*F.O.B. average price per sack—(January to September) :—*

						£	s.
1926	...	...	...	...	...	5	5
1927	...	...	...	...	...	4	1
1928	...	...	...	...	...	5	0
1929	...	...	...	...	...	5	2
1930	...	...	...	...	...	2	17

While the majority of British firms interested in Brazilian trade are concerned primarily in the country's markets, the key to the whole question of the economic position of the Republic is to be found in a careful consideration of the exports; there also lies the secret of the financial and exchange problems. It is, indeed, not too much to say that the future of the country depends upon the progress in production. The prime necessity is that the exports be increased, and to this end the fiscal and social policy of the Republic will be wisely directed.

The South American countries which export the most have the largest trade balances in spite of heavy imports, and are, in consequence, the most prosperous. The chief necessity in the export trade of Brazil is diversification; dependence should not be placed upon one crop—for a failure of price or crop, both ever present possibilities, places the commercial position of the country in jeopardy. The financial difficulties of Brazil to-day result, in no small measure, from over-dependence upon one crop—coffee, and, until another or several other export products are largely developed the country will not rest upon a sound economic basis. Fortunately Brazil is well placed to diversify her products, and by dint of a wise fiscal policy she can readily augment a number of her already established exports, notably cotton, meat, cacáo, rice, sugar, vegetable oils and oil seed, lumber, and tropical and forest products. The majority of these, however, must be sold in the world market at world prices, and their successful exploitation, therefore, demands the production of great quantities at low cost. This cannot readily be done where an artificial standard of real wages has been created by excessive industrialisation. Fortunately there are not lacking signs of a decided movement in the right direction, as the following table will serve to indicate:—

EXPORT BY TONNAGE—PERIOD JANUARY TO JULY.  
(000's omitted).

	1926	1929	1930
Animal products, meat, hides, etc.	44.6	105.9	165.6
Cotton ... ..	3.9	7.3	10.9
Rice ... ..	1.3	1.0	14.9
Sugar ... ..	0.1	9.4	72.5
Cocoa ... ..	30.2	28.3	32.6
Coffee ... .. (million bags)	7.2	7.8	8.4
Carnauba wax ... ..	3.6	4.2	3.9
Bran ... ..	36.0	46.7	54.6
Fruits ... ..	36.5	59.7	72.0
Oilseeds ... ..	56.1	56.9	55.2
Tobacco ... ..	13.9	16.7	23.7
Maté and tea ... ..	37.2	37.8	48.4
Timber ... ..	66.1	67.8	69.8
Maize ... ..	—	0.8	3.3
Various ... ..	31.7	75.4	107.5
Total vegetable products...	765.5	899.0	1,096.2
Total exports ... ..	1,018	1,189	1,402

When it is remembered that these increases were achieved during the first nine months of 1930, a period of unprecedented trade depression, the extent of the advance made will be more fully appreciated, and it will be readily admitted that there are grounds for optimism.

It is satisfactory to consider, when pointing out this favourable tendency, that Brazil's freedom from entire dependence upon coffee is likely to result in a better adjustment of Anglo-Brazilian trade. It is hardly to be expected that Great Britain, essentially a tea and not a coffee market, will greatly increase her imports of the latter, whereas the market in Great Britain for imported food-stuffs and raw materials, particularly cotton, is sufficient to absorb an almost unlimited quantity of Brazilian supplies.

It is, therefore, obvious that British business interests have reasons for regarding this present tendency in Brazilian trade development with sympathy and expectation.

#### COFFEE.

The stocks of coffee in Brazil on the 1st July, 1930, i.e. the beginning of the 1930-31 season, amounted to over 23 million bags, while the stocks in other countries brought the total world supply on that date to approximately 29 million bags. During the first four months of the present season, in spite of the fall in the amount of coffee despatched to Santos, the stocks increased by almost a million bags, and at the beginning of November the stocks retained in Brazil reached a total of over 22 million bags.

It is estimated that the Brazilian crop for 1930-31 will not be less than 15 million bags, and the crop of other producing countries about 9 million. Hence the total world's supply available during the coming season will be a minimum of 53 million bags. With an estimated world consumption of 25 million bags it is obvious that, failing any unforeseen factor, the surplus at the end of the 1930-31 season will be about 28 million bags.

The report in this series for the last year gave a very full account of the details and nature of the coffee problem and its significance to Brazil; consequently there is no need to refer here to the elements of the position created by the activities of the Defence Scheme. The report of last year, however, was hardly through the hands of the printers when a disastrous fall in coffee prices occurred owing to the impossibility, in the then state of the financial markets, of floating a further loan to carry the greatly increased stocks.

It is probable that the attempt of Brazil to maintain coffee values at a high level would, indeed, have ended in a disastrous failure, the fate of many such valorisation projects, but for the successful flotation of the Coffee Realisation Loan by a British group of bankers in April. The loan contract provides for liquidation of the stocks on hand, and the amortisation of the capital sum, namely £20,000,000, by means of a tax of 3s. per bag on port entries—with certain fixed minima, and special additional taxes on Government coffee. The public issues covering this flotation were made on the London, New York and Continental markets simultaneously. The bonds carried 7 per cent. interest and were offered at 96.

The result of the first months of operation under this scheme was so satisfactory as to serve as an indication that the scheme in itself was soundly conceived. Recognising that the original defence plans could not be continued, owing to the effect upon consumption and the stimulus given to rival sources of supply, the Government recommend that every effort should be made in future to improve quality as far as possible and to reduce prices to a reasonable level. There is reason to believe that this policy will be pursued with satisfactory results, in spite of the inevitable opposition which is to be anticipated from those interests involved in severe loss by reason of price reductions.

Two estimates of the total 1930-31 crop are given as follows :—



<i>State.</i>	<i>Official.</i> Bags.	<i>Unofficial.</i> Bags.
São Paulo ... ..	7,500,000	8,500,000
Minas Geraes ... ..	3,200,000	3,500,000
Espirito Santo ... ..	1,531,000	1,500,000
Paraná ... ..	420,000	500,000
Pernambuco ... ..	50,000	50,000
Bahia ... ..	50,000	100,000
Goyaz ... ..	30,000	30,000
Santa Catharina ... ..	100,000	100,000
Rio de Janeiro ... ..	909,000	1,000,000
Matto Grosso ... ..	—	20,000
Total ... ..	13,790,000	15,300,000

In round figures the world production and visible supply at the beginning and end of the current season are as follows:—

	Bags.
World's free visible supply on 30/6/30 ... ..	5,500,000
Retained stocks in Brazil, 30/6/30 ... ..	23,700,000
Total visible supply on 30/6/30 ... ..	29,200,000
Brazilian 1930/31 crop ... ..	15,500,000
Other countries, ditto ... ..	8,000,000
Total available ... ..	52,700,000
Less world's consumption, 1930/1931 ... ..	25,000,000
Visible supply on 30/6/1931 (estimated) ... ..	27,700,000
<i>Recapitulation.</i>	
World's free visible supply (estimated) ... ..	6,000,000
Retained or controlled stocks ... ..	21,700,000
	27,700,000

### MARKETING METHODS.

In general it seems apparent that British industry is prone to overlook the possibilities of this market. The truth is that, compared with other countries, even South American markets, modern Brazil as a market for imports is in a remarkably undeveloped state; once a period of real expansion takes place there will be hardly any limit to the demand for imports.

A glance at the following table will serve to indicate the relative paucity of Brazilian foreign trade compared to that of certain other American countries:—

(Population in millions and total foreign trade in millions sterling).

	Population, approximate.	Total foreign trade.	Per capita foreign trade.
Brazil ... ..	40	187	£ s. d. 4 13 8
Argentine ... ..	11	387	35 3 7½
Cuba ... ..	4	100	25 0 0
Chile ... ..	5	79	15 16 0

When it is remembered that Brazil has twice the area of Argentine, Chile and Cuba together, and the greatest wealth and variety of natural resources of any country in South America, the possibility of increase in overseas purchases will be recognised. Given favourable conditions it is not by any means improbable that Brazilian foreign trade should increase fourfold during the coming 20 years. In the face of such possibilities it is obvious that the market is worthy of some study and some outlay in establishing an effective distribution system.

The remarkable success with which American manufacturers have introduced many of their products into Brazil, in striking contrast to the relatively disappointing results of British selling enterprise, is readily explainable in terms of respective merchandising policy. It is a commonplace that American manufacturers enjoy an enormous home market in which the advantages of mass production take on a special significance. It is not so well known, however, that the American home market is probably the most competitive field in the world, and that while its production costs have been reduced by the formation of trusts and mass production on a vast scale, its distribution costs have increased about five fold during the last 20 years. Where any real basis for comparison exists it may be doubted whether American products are cheaper, but it is abundantly obvious to anyone who has studied the conditions prevailing in the American home market that the keen competition prevailing there has resulted in the development and perfection of a merchandising technique. For many years past the best brains in American commerce have been concentrated upon the problems of selling organisation. Moreover, an export literature expounding the functions and technique of each branch has grown up and forms a great part in commercial education. It is not surprising therefore that manufacturers trained in such a school should obtain a ready success in organising a sales campaign in foreign markets where the severity of competition is certainly not greater than in their own country.

In reaching a decision as to the means required to attract the buying public the American export manager has at his disposal a fund of modern merchandising experience, peculiarly applicable to conditions prevailing in Brazil. He begins first of all with the assumption that the manufacturer must pay for the pioneering work, and that he will get nothing more out of his effort than he is willing to put in; he is therefore not easily discouraged by the necessity of an expenditure in advertising and salesmen. He recognises that his most valuable asset as a producer is his distribution system, and he arranges accordingly whenever possible to keep this in his own control—in other words he opens a selling branch in preference to employing the services of an agent.

The above is not intended to imply that the American system includes every element of efficiency compared to the methods

employed by British manufacturers; the comparison is made to indicate firstly the nature of the advantage which one of our chief competitors enjoys, and secondly the necessity of approaching the problem of import distribution in Brazil with a mind devoid of preconceived notions based upon experience in other markets and under other conditions.

With regard to the question of representation, and without venturing to include in this dictum every shipper and manufacturer, it is generally recommended that a branch office should be established as a basis, or that a factory representative be maintained in Brazil to work in conjunction with the local agents. A firm having either a branch office or an employee in the office of the agent, is able to avoid most of the pitfalls into which a manufacturer may be led by a careless or even a conscientious agent. It enables an effective control to be kept upon credit policy—a vitally important matter in this market; it enables a manufacturer to maintain stocks and to direct an economic and effective advertising policy without risk; it facilitates the establishment of sub-agencies and service stations; it reduces loss by wasteful shipping methods; it keeps the home establishment in touch with variation in local tastes and requirements; and finally it affords the factory a security of output by keeping the distribution media under direct control. If not in the first case during the pioneering period, it usually proves a distinct economy when a certain volume of sales has been obtained.

In general it may be laid down that the large number of overseas manufacturers enjoying any considerable sale in Brazil have built up their business through either one or other of these methods, and they represent the policy most likely to give satisfactory results.

The best alternative to the establishment of a branch, in many cases an equally effective method, is the employment of a commission house or import and export house with an establishment in the United Kingdom. Such firms are, however, not very numerous and the majority are not likely to welcome new connections. The various alternative selling arrangements may be enumerated as follows:—

Branch house of manufacturer.

Factory representative attached to local import house.

Travellers from home representing factory or home shipper.

Local agent (exclusive representative).

Commission firm with United Kingdom office.

A few very pertinent suggestions which should be followed by firms new to the market, and by many already doing business here, are the following:—

Quote in the metric system.

Correspond, and send catalogues, in the Portuguese language—never in Spanish.

Arrange a distribution system to cover the whole market (see following section).

Watch the business indicators for each district, *e.g.*, coffee stocks and prices in Rio, Santos (for São Paulo); cotton and sugar stocks and prices in São Paulo and Pernambuco; exchange rates, stock exchange sales in Rio, etc.

Avoid mistakes in preparing shipping papers. If there is any doubt employ a forwarding agent experienced in the market.

Make careful inquiries before granting credit. Both trade and bank enquiries are necessary.

Avoid legal proceedings for debts of less than two hundred pounds.

### MARKETING DISTRICTS.

**Rio de Janeiro.**—Includes Federal District, State of Espirito Santo, Rio de Janeiro and Minas Geraes. *Products:*—Coffee, sugar, cattle and minerals. Best seasons for retail sales June to December.

**São Paulo.**—Includes States of São Paulo, Goyaz and Matto Grosso, Paraná. *Products:* Coffee, sugar, cotton and cattle, also rice and lumber. Selling seasons as in Rio districts. Cotton is sold chiefly in May.

These two markets comprise about 60 per cent. of the purchasing power of Brazil.

**Pará.**—States of Pará, Amazonas, Maranhão and Piahy. *Products:*—Rubber and Brazil nuts chiefly, also timber, vegetable oils, oil seeds, nuts, hides, cacao and carnauba wax. Large negro populations. Equatorial conditions.

**Pernambuco.**—Includes the States of Pernambuco, Alagôas, Ceará, Rio Grande do Norte, Parahyba. *Cotton and sugar* are the chief exports. Also coconuts, hides, carnauba wax, oil seeds and vegetable oils. Sugar is marketed from August to March, and cotton from June to August. Tropical region. Large negro population.

**Bahia.**—Includes the States of Bahia and Sergipe. Cacao, tobacco and diamonds are the chief exports. Cacao selling season is from June to December, and tobacco from September to November. Other products are coffee, sugar, hides and skins, castor seed, piassara and carnauba wax. Semi-tropical climate.

**Porto Alegre.**—State of Rio Grande do Sul. Chiefly cattle. Selling season for cattle and farm products usually from December to June. White population predominates. Temperate climate.

## COMMERCIAL CREDIT.

Firms exporting to this market are advised to study carefully the Brazilian Bankruptcy Act of 1929, of which an excellent translation with full notes and explanations has been published by the British Chamber of Commerce in Rio de Janeiro.

Notwithstanding this law, which indeed promises some improvement, heavy credit losses still constitute the chief disadvantage of trade with Brazil, and particularly in textiles. Such indeed is the risk in this class of business to-day that few banks will extend unsecured credits to textile merchants and only discount their internal good bills at 60 per cent. of their face value. As long as the banks continue to pursue this cautious policy, which is fully justified by the conditions obtaining, it is difficult to escape the conclusion that the extension of unsecured credits by overseas shippers is hardly advisable. Recent experience suggests that the practice of selling textiles, if not many other commodities, against bills drawn upon importers and merchants, involves the drawer in an unwarrantable risk. A brief consideration of the usual situation in which the non-resident creditor has in practice found himself, forgetting for the moment his rights in law, will serve to indicate this. During the recent crisis the drawer of a legitimate bill representing the value of goods supplied has almost invariably found himself in a position of distinct disadvantage in the event of his bill being dishonoured; firstly because the drawee's good bills, i.e. those resulting from the re-sale transaction, have been in the hands of the bank which has discounted them, and secondly because there have been usually local creditors, who are in a better position to protect their interests. If the overseas foreign drawer sent the bill to protest and initiated bankruptcy proceedings he has become involved in legal expenses in an effort to secure a judgment which in many cases it has proved impracticable to execute effectively. As an unsecured creditor he has frequently been forced to agree to an out-of-court settlement, accepting sometimes as little as 25 per cent., often paid in instalments; the bank and sometimes local creditors have been able to collect in full from the liquidation of the securities held. The debtor having thus legally disposed of his obligations has continued to carry on his business. Surely it is not too much to say that under these conditions the granting of unsecured credits has proved an unsound transaction in all but the very highest order of credit risks.

There is, however, another aspect of the case which is possibly more important. The existence of the state of affairs described above constitutes a strong temptation to the incompetent or dishonest importer. From the point of view of the many small and unsubstantial firms there is little to be lost by a reckless career of overtrading, for if the worst should happen owing to unfavourable market conditions or mismanagement, his stocks can be liquidated

by cutting his prices and the secured creditors paid out of the proceeds; the unsecured creditors must, he assures himself, be satisfied with what he chooses to offer. The natural consequence of importation undertaken in this spirit is that goods are constantly being thrown on the market at 50 per cent. and upwards of their landed value and responsible firms are unable to meet the competition thus created.

The remedy, it will be said, lies in the exercise of greater care in securing reliable credit information. This is partially true; but it is also true that reliable credit information is extremely difficult to obtain. In practice it usually happens that exporters depend upon reports obtained from one or other of the local banks. In this connection, however, it is necessary to point out firstly, that the distribution of credit information to shippers forms no part of the bank's obligations; secondly, that such information is given without responsibility; and thirdly, that there is usually at least one bank in the market which has a direct interest in maintaining the credit of any particular importer or merchant and can hardly be expected to divulge this fact to inquirers.

Before considering the means necessary and adequate to provide some safeguard for overseas suppliers, it will be convenient to sum up the essential factors of the problem. These may be concisely stated as follows:—

(a) The granting of unsecured credit to importers and merchants is a grave risk, and one which tends to demoralise the market.

(b) Reliable credit information is extremely difficult to obtain.

(c) In the case of the textile industry particularly, but also in many other cases, re-possession or re-shipment is not an available possibility owing to the lack of Customs drawback machinery, and there is a certainty of loss in forced re-sales made locally.

(d) The keenness of local competition vitiates the intentions of those firms whose credit policy is conservative by either forcing them into risks or excluding them from the market.

(e) The adoption of a sound credit machine would secure the body of overseas exporters against the majority of losses, and would eliminate the incompetent and dishonest importer by setting a limit to overtrading.

If the case has been fairly set forth in the above it follows firstly that a system devised to safeguard the interests of exporters to this market is necessary, and secondly that in certain industries, notably textiles, all exporters have a common interest in adopting such a system. Probably the only real remedy would be the association of all exporters in each industry to pool their credit information and to adopt a combined plan of action, based upon a system of lists of defaulting firms. Dishonest importation and overtrading would largely disappear if importers were faced with the alternative of meeting their engagements or a complete exclusion from credit. A difficulty is that to be fully effective an association of this kind would require to include not only British but foreign exporters. An international credit association should

be formed to take in hand the work of raising the standard of this market to a higher level. It is no accident that of all exporting countries to Brazil to-day the one which has won the largest share of business, namely the United States, suffers least from credit losses. In building up a sound basis of business in the United States, credit associations have taken a leading part; every American industry has its credit association and all reputable exporters have access to a national credit organisation. Until British, and incidentally Continental manufacturers and shippers, take this problem in hand, and organise their own protection, their losses are not likely to be avoided, nor is any improvement to be expected in the tone of the market.

### III. FINANCE.

**National, State and Municipal Debt.**—Details, as complete as possible, are given in the appendices of this report.

On the 31st December, 1930, the total sum of all State and municipal external debt amounted to about £84,517,150, which, added to the sum of about £139,000,000, the debt of the Federal Union, makes a total of approximately £223,500,000.

Amongst the local communities the Federal district had the greatest *per capita* debt, approximately £12 per head, but the largest actual debt was that of the State of São Paulo, which amounted to about £20,000,000. Of the 21 States, the following five have no foreign debt, Piauhy, Parahyba do Norte, Sergipe, Goyaz and Matto Grosso. During the year 1929 the debts of the Federal Union were reduced by £2,682,857, \$4,797,146 and Frs.1,814,906. The internal debt of 2,381,292 contos of reis was reduced by 11,454 contos of reis during the same period.

The chief increase in the external debt during the past year derived from an issue of £20,000,000, which was issued by a London group of bankers simultaneously in London, New York and on the Continent. The loan, which carries interest at 7 per cent., was offered at 96, and is secured by 16,500,000 sacks of coffee. £7,000,000 are to be utilised to pay off the short term loans of the Banco do Estado de São Paulo and the State of São Paulo, the balance is for the gradual liquidation of the coffee stock held by the São Paulo Coffee Defence Institute.

The decision handed down by the Permanent Court of International Justice at The Hague in July, 1929, in favour of the French claim for repayment in gold francs of pre-war loans to Brazil, constitutes a further addition to Brazilian external debts service for 1930 of £1,142,986, and a sum of at least £5,000,000 to the capital. The question of the application of this decision to all the French loans has not yet been resolved; on this subject negotiations are still proceeding.

Early in the year the municipality of the Federal District authorised the Prefect of the city of Rio de Janeiro to negotiate a

foreign loan of £2,000,000, but market conditions being unfavourable an internal issue of 40,000 contos was made instead.

**Budget.**—The Federal Budget estimates were enacted by ordinary executive decree of 31st December, 1930. The estimated revenue amounts to 137,305 contos gold and 1,478,959 contos paper.

Actual revenue and expenditure for 1929 were as follows :—

	Gold.	Paper.	Total converted into paper currency.
Ordinary Revenue.	Contos.	Contos.	Contos.
Estimated ... ..	187,897	1,352,645	2,210,770
Actually collected ... ..	190,385	1,530,109	2,399,599
Surplus received ... ..	2,488	177,464	188,829
Ordinary Expenditure.			
Authorised ... ..	134,535	1,502,946	2,117,370
Actual expenditure ... ..	126,043	1,442,055	2,017,693
Less expended ... ..	8,492	60,891	99,677
The result being :—			
Revenue actually collected ... ..	190,385	1,530,109	2,399,599
Actual expenditure ... ..	126,043	1,442,055	2,017,693
Surplus of Revenue over Expenditure ... ..	64,342	88,054	381,906

According to a statement issued by the Central Accountants Office of the Government, relating to the first five months of 1930, it appears that revenue decreased by 215,130 contos paper as compared with the corresponding period of the previous year. During that period, however, expenditure was scaled down in every possible direction, resulting in a surplus in accordance with the following table :—

	Contos.	
	Gold.	Paper.
Revenue—January to May, 1930 ... ..	57,853	480,502
Expenditure ... ..	31,345	493,515
	+26,508	—13,013
Surplus :—	Contos.	
Balance of gold milreis converted into paper ... ..	121,059	
Less ... ..	13,013	
Excess revenue over expenditure ... ..	108,046	



The budget law for 1930 estimated for revenue as follows :—

199,271,700\$000 gold.  
1,371,431,300\$000 paper.

The following expenditure was sanctioned\* :—

Ministry.	Contos.	
	Gold.	Paper.
Justice and Home Affairs ... ..	124	159,656
Foreign Affairs ... ..	6,314	5,399
Marine ... ..	1,300	161,205
War ... ..	400	290,191
Agriculture ... ..	824	82,511
Transport ... ..	13,729	524,654
Finance ... ..	112,422	415,498
	135,113	1,639,114

Figures for the remainder of the year are not available, but it is said that expenditure was progressively reduced until the outbreak of civil strife in October. It may be regarded as certain that the purchases of arms and the upkeep of large bodies of irregular troops, together with the reduction in the collection of revenue, played havoc with the Treasury, and it is probable that the net operations of the year will show a substantial deficit.

**Gold Reserve.**—Early in April the Bank of Brazil shipped to New York 25 million dollars in gold and later in the month a further sum of £2,400,000. By these transactions the gold reserve in the Caixa de Estabilisação, which amounted to almost 860,000 contos in November, 1929, was reduced to the equivalent of 343,978 contos. The gold reserve was further reduced to 292,164 contos and again on the 5th July to 230,135 contos. At this stage convertible gold notes were offered on the Rio market at a premium of about 15 per cent. By the 4th October the gold reserve had been further reduced to 130,134 contos. Following the revolution the Provisional Government shipped almost the entire sum remaining in the gold reserve, and the Caixa de Estabilisação was finally closed by Federal Decree early in December. Thus during the year a sum of over £20 million gold sterling was shipped abroad.

**International Balance of Payments.**—In 1905, with a population of about 20 million, the foreign debt of the Federal Government was approximately £43,000,000, and those of the States and

\* Figures of authorised Expenditure for 1931 have now become available. They amount to 115,437 contos (gold) and 1,486,898 contos (paper).

municipalities of approximately £16,000,000. This involved a total annual service charge of about £3,500,000. At the end of 1929, with a population of about 40 millions, these debts had increased to approximately the following :—

					(Million approx.)
					£
Federal	...	...	...	...	148
State	...	...	...	...	75
Coffee Institute	...	...	...	...	9
Municipal	...	...	...	...	22
					—
					254
					—

The annual service charge is difficult to calculate exactly, but in all it may be taken as about £20 million sterling a year.

In addition to the above gold obligations for the service of the public debt there is a considerable item representing obligations payable abroad for services in connection with banking, insurance and shipping; returns upon commercial and industrial investments in railways, public utilities, &c., and remittances to absentee Brazilians living abroad. The annual total of these obligations is said to be about £20 million sterling per year, but it must be understood that this figure is at best only a very rough estimation. If, however, we can accept this latter figure we arrive at a total of foreign obligations of about £40 million annually.

The following table gives the national earnings from the export balance of trade in annual averages of five year periods :—

					Balance.
					£
1901-1905	...	...	...	...	14,681,000
1906-1910	...	...	...	...	16,794,000
1911-1915	...	...	...	...	11,743,000
1916-1920	...	...	...	...	15,478,000
1921-1925	...	...	...	...	17,179,000
1926-1930	...	...	...	...	9,773,000*

\*(Last half-year 1930 estimated).

If we add to the export balance of say £10 million, a sum of about five million representing the value of loan and capital investment, the result allowing for a considerable margin of error on the obligation side of the ledger, indicates the necessity for a considerable increase in exports.

## Statement of Approximate Balance of Payments, 1930.—

	£	£
Service of Foreign Loans ... ..	20,000,000	
Service on Foreign Capital ... ..	10,000,000	
Sundry ascertained, special payments ... ..	900,000	
Remittances by foreigners resident in Brazil and to absentee Brazilians ... ..	3,000,000	
Balances owing from previous years ... ..	10,000,000	
	<hr/>	43,900,000
Balance of exports over imports (January to Sep- tember—£11,800,000) ... ..	14,000,000*	
New capital invested ... ..	4,000,000	
Coffee Realisation Loan ... ..	£ 20,000,000	
Less:—		
Discount and Internal issue ... ..	5,000,000	
Repayment outstand- ing credits ... ..	7,000,000	
First year's remit- tance ... ..	4,000,000	
	<hr/>	16,000,000
	4,000,000	
Gold export during year ... ..	20,000,000	
Banco do Brazil ... ..	8,000,000	
	<hr/>	50,000,000

(1) It is assumed that expenses of Brazilian representation abroad are cancelled by expenses of foreign representation in Brazil.

(2) It is assumed that undeclared imports are balanced by undeclared exports.

(3) The debt side of the account does not include such part of the floating debt as is owed abroad, which it is impossible to estimate.

A further and more striking indication of the relative failure of the sources of wealth to provide adequately a sufficient exportable surplus is furnished by a following comparison of the *per capita* export of various countries, which, like Brazil, are primarily producers of raw materials:—

## EXPORTS PER CAPITA OF POPULATION.

	Shillings.
New Zealand ... ..	832
Canada ... ..	546
Australia ... ..	450
Argentina ... ..	387
Cuba ... ..	318
Chile ... ..	225
Venezuela ... ..	157
Union of South Africa ... ..	156
Uruguay ... ..	154
Peru ... ..	101
Brazil ... ..	47

\* The Balance actually obtained has since been reported as about £12,000,000.

**Banking and Exchange.**—The international financial upheavals of the year 1929, resulting primarily from the concentration of gold, the consequent development of speculation and the ultimate collapse of security prices in the United States, precipitated a crisis in Brazil, whose Coffee Defence Institute, unable to secure immediate loans to carry over the heavy crop surplus, was powerless to retard a violent fall in prices which took place in October, 1929. In consequence a serious situation developed in the country generally, and more particularly in the State of São Paulo.

Mustering the entire financial resources of the country the Bank of Brazil sought to avert the worst consequences of the crash by meeting the legitimate demands for credit, and by furnishing loans to the extent of 40\$000 per sack against coffee holdings. The local banks, gaining confidence from the example of the Central Bank, lent their co-operation and loans to a total value of over 200,000 contos were granted from the date of the crisis to the beginning of June, 1930. In consequence the export of the crop was not unduly interrupted; in point of fact exports actually increased by 950,000 bags during the period October to February, 1929-30, compared to the movement for the corresponding period of the previous season.

Beginning with the coffee crisis the exchange, which had remained stable within relatively narrow limits at about  $5\frac{3}{4}d.$  for almost three years, declined to about  $5\frac{1}{2}d.$  by the end of the year, and it continued to register slight weakness until ordinary transactions were suspended during the revolution of October, 1930, when the new Administration fixed an official rate of about  $5\frac{1}{4}d.$  and decreed that all exchange business must be a monopoly of the Central Bank. On the 1st October, 1930, three days before the outbreak of the revolution, the 90 days' drawing rate at the Bank of Brazil was  $5\frac{1}{4}d.$  Toward the end of November this restriction was removed and ordinary business was resumed by the banks, subject, however, to strict regulations governing the transaction of exchange business. Notwithstanding in the early days of December exchange rates declined to about  $4\frac{1}{8}d.$  for cheques.

#### IV. SOCIAL CONDITIONS AFFECTING TRADE.

**Population.**—There has been no complete census in Brazil since 1911. Subsequent returns of population are estimates arrived at by adding the number of immigrants and births and deducting the deaths. In the absence of complete figures it is therefore by no means an easy matter to compile an exact market analysis. It is not possible, for example, to secure recent figures of population densities, numbers of householders, professions and vocations, *per capita* wealth by districts and a mass of similar details, some knowledge of which might serve as a guide in devising a general scheme of merchandising.

Tables of population estimates by States and cities will be found in Appendices X and XI to this report.

The total population of the Republic according to the estimate for 1929 is about 40 million, of whom probably about 23 million are engaged in agricultural pursuits. The 21 largest cities contain an aggregate population of something less than five million inhabitants, while about half the total population live within a radius of 500 miles of the capital, i.e. chiefly in the Federal District and the states of Rio de Janeiro and São Paulo.

Throughout the Republic there is a great admixture of the negro, Indian and white races, but the last-named predominate and probably has a tendency to increase, owing partly to the very considerable yearly additions of European immigrants, chiefly Portuguese, and partly to the selective process favouring white types. It is probable that the pure whites form about 60 per cent. of the population, mixed white and negroes or Indians about 25 per cent., 12 per cent. negroes and the remainder aboriginal Indians and Asiatics. There are, of course, regional variations in the distribution of the races—the white predominating greatly in the south and decreasing in proportion more or less progressively toward the north. One of the most striking aspects of Brazilian sociology is the absence of race conflict or prejudice. Foreigners of whatever colour, race or creed, are made welcome, either as settlers or transient workers, and are eligible for citizenship after the briefest residence. Brazilians seem to be completely tolerant in their view of other races, and in consequence there is no vestige of the race problem which complicates the social and political life of countries where Asiatics and Europeans, or negroes and whites, are thrown together. This lack of prejudice is likely eventually to increase the numerical predominance of the white elements by discouraging the tendency toward race segregation and thus facilitating the process of absorption of the least numerous shades and types, i.e. negro, Indian and Asiatic.

About two-thirds of the population dwells upon the eastern plateau, which enjoys a cooler climate than the littoral and extends roughly from Pernambuco to Rio Grande do Sul. The population is moderately dense, however, along the narrow coastal plain, which extends as far north as Natal.

**Immigration and Unemployment.**—From the beginning of the 19th century until the present there has been a steadily increasing stream of immigration into Brazil from Western Europe, chiefly from Italy, Portugal and Spain. It is estimated that during the past century some four and a half million immigrants have settled in the country. The first influx of population took place in the years following the abolition of slavery in 1888—when an official association was organised by the State of São Paulo to induce immigrants to come to the country to replace the slave

labour in the coffee plantations. During the past decade about one million immigrants have landed; about 40 per cent. of these are said to be seasonal labourers returning to Europe after the harvest. A notable feature of the immigration movement of the last few years has been the increase in the number of Japanese settlers to the colony which is being developed in the State of Pará by the Companhia Nipponica de Plantações, which has obtained a concession of two and a half million acres from the Brazilian Government, where a variety of crops, chiefly rice and cacao are being cultivated. Of the hundred thousand immigrants arriving in Brazil in 1929, almost 17,000 were Japanese.

Owing to the very depressed state of many Brazilian manufacturing industries, the partial cessation of public works and the discharge, as a measure of economy, of many thousand State employees, a serious increase in unemployment has occurred during the past few months—particularly in the State of São Paulo. As a measure of relief, therefore, the Provisional Government has recently (December, 1930), issued a decree restricting immigration for one year from 1st January, 1931. The general object of this decree is to prevent a further accumulation of urban workers; genuine agriculturists will be freely admitted subject to a minimum cash requirement of £60 per person. This decree also provides for the registration of unemployed and requires that all employers of labour shall maintain at least two-third Brazilian born citizens on the pay roll. It includes also a scheme to encourage, by means of land grants and loans, settlement of agricultural smallholders; the funds for this purpose are to be derived by a levy upon all Government salaries.

**Labour.**—Labour varies considerably throughout the country in race, quality and distribution of vocations.

In the extreme north and in the interior the bulk of the inhabitants are agricultural labourers and plantation hands—here the negro types or Indian and mixed predominate, chiefly owing to the equatorial climate, which is uncongenial to workers of European origin. In the northern States also the system of large plantations is more general than in the coffee-growing States, though the policy of the Government and particularly the present Government, which contains a greater proportion of liberal and democratic elements, has been directed toward the encouragement of the smallholder. In the north therefore the standard of living amongst the workers, and consequently the purchasing power, is lower than elsewhere except in the thinly populated interior States, where dwell the aboriginals in more or less tribal and nomadic conditions.

In the coffee-growing districts much of the plantation labour is performed by the "colonos," many of them immigrants, permanent or seasonal. A considerable proportion of these are original immigrants or first generation settlers of European origin.

This class of workers demands higher wages, and enjoys a superior standard of living. The majority of the " colonos " are strong physically, patient and persistent, but slow workers and lacking in education.

The " colonos " are usually paid upon a basis of so much per thousand trees for cultivation throughout the year, not including picking, for which extra is paid. Their money wages are comparatively small, but on the majority of the larger farms they are given living quarters, and frequently are permitted to cultivate a small plot of land on their own account, and in some cases also they keep a few goats, poultry and a cow. They usually work in families, the women and children over seven years old taking a share in the work, especially during the picking season. On the whole their standard of living is moderately advanced and their household purchasing power considerable during a good season. Though the majority of the coffee is grown on larger farms, the availability of cheap land in certain districts admits the possibility of an industrious " colono " becoming himself a small farmer. In the coffee States also there are a considerable number of managers and undermanagers employed, since a very considerable proportion of the farms belong to absentee owners, residing in the cities, who visit their property only once or twice a year, usually during the picking season. In São Paulo the average earning of a farm manager of 100,000 trees is probably about £200 a year and quarters, and about half that for each undermanager or foreman. In that State it is estimated that there are about 250,000 effective coffee workers, which, including women, children and managers, makes the total somewhere in the neighbourhood of a million souls. Serious labour troubles are rare, but isolated strikes, usually during the picking season, occur from time to time.

In the industrial districts of São Paulo and Rio de Janeiro, where the chief industries are concentrated, labour conditions vary greatly; at present there is a considerable amount of unemployment, particularly in the textile industries, which, under normal conditions, employs some 200,000 operatives. The wages paid are generally speaking low, ranging from 7s. a week for juvenile labour, which is widely employed, to about £2 a week for weavers.

In all there are probably about half a million ordinary workers employed in the manufacturing industries, excluding office staffs.

## V. COMMUNICATIONS AND TRANSPORT.

**Railways.**—During the year 1928 approximately 150 kilometres of extensions were added to the total railway mileage of the Republic, bringing the total extension for the whole Republic to about 20,000 miles.

The most important of the lines in point of the length of track in service are the following :—

	1st January, 1929 (Kilometres).
The Leopoldina Railway Co., Ltd. ... ..	2,989
E. F. Central do Brazil ... ..	2,931
Viação Ferrea do Rio Grande do Sul ... ..	2,651
E. F. Nazareth & Ramal de Amargosa ... ..	2,292
E. F. Oeste de Minas ... ..	2,271
E. F. Sorocabana ... ..	2,025
E. F. São Paulo—Rio Grande ... ..	1,997
Companhia Mogyana de Estradas de Ferro ... ..	1,966
Great Western Railway of Brazil Ltd. ... ..	1,680
Companhia Ferroviaria L'Este Brasileiro ... ..	1,635
Companhia Paulista de Estradas de Ferro ... ..	1,461
E. F. Noroeste do Brazil ... ..	1,310
Rêde Sul Mineira ... ..	1,292
E. F. Rêde de Viação Cearense ... ..	1,251

Of the remaining 45 systems only one has an extension of over 500 kilometres, while 26 have less than 100 kilometres of track.

There appears to be no recent census of stock, the latest figures applying to the year 1928 are as follows :—

Locomotives ... ..	4,193
Freight wagons ... ..	65,103
Passenger cars ... ..	5,488

Generally speaking railway construction made slow progress in 1929 and 1930; the following items are nevertheless worthy of notice :—

Extensions were made on the Great Western of Brazil on the southern branch, which are still proceeding; progress was also made on the Parahyba and Pernambuco branches and between Quebrangulo to the terminal at Annum in the State of Alagôas. Extensions of the Mossoró Railway in Rio Grande do Norte reached Caraúbas and is being continued.

São Paulo-Paraná Railway is being extended in the coffee region of Northern Paraná, a distance of some 90 kilometres, a considerable portion of which, including an important bridge over the river Cinzas at kilometre 67, has been completed. It is hoped that the line to the Tibagy River will be completed next year. The concession calls for an extension of about 280 kilometres beyond this point.

The Companhia Brasileira de Viação e Commercio de Curityba is building an extension for the State of Paraná from Riosinho to Guarapuava, of which about 30 kilometres was completed on the 1st February, 1930.

Extensions of 135 kilometres are projected on the Sorocabana Railway, and two branches having a total length of about 26 kilometres were completed in the early months of this year.



A scheme is still under consideration for the construction of a railway from Porto Alegre to the Port of Torres. A concession for 75 years for operation and construction of the railway and the port at the latter point will probably be granted.

The Sorocabana Railway, owned by the State of São Paulo, has commenced a motor truck service as a feeder to its lines. This is said to be the first service of its kind in Brazil.

Federal authorisation and grants have been obtained for short extensions of the Rêde de Viação Cearense, whose headquarters is at Fortaleza, in the State of Ceará, and of the Petrolina-Therezina Railway, of Petrolina, in the State of Pernambuco.

The E. F. Paulista extended its line from A. Moreira to Columbia, a distance of 36 kilometres.

The E. F. Noroeste do Brazil constructed 28 kilometres of a penetration line to the hinterland and has reached Guararapés.

**Roads.**—In the appendices to this report will be found a table giving the mileage and types of roads and streets constructed up to the year 1929. These figures, while official, are not fully complete; they serve nevertheless to indicate that considerable advances are being made in highway construction.

At the end of 1928 the official length of first-class roads was about 21,300 kilometres and 92,257 kilometres of second-class roads; the latter are suitable for motor traffic at all seasons, while the former are modern concrete, tar, or asphalt surfaced.

Modern road building in Brazil was initiated by State and municipal authorities. Very little work was done by the Federal Government until the last administration set up a special bureau for the purpose. During 1930 over 100 kilometres of concrete roads were constructed on the Rio-Petropolis and Rio-São Paulo routes, while very considerable second-class construction was carried on in São Paulo and Paraná, both by Federal authority. In addition to these and others of less importance some 400 kilometres of road is being built by the Army and Federal Telegraph Service. In 1929 the Federal Government spent 40,000 contos in road building and maintenance, and probably an equal sum was laid out by local authorities. Particular progress was made by the States of Pernambuco and Alagôas, where some 5,000 contos were appropriated for road building in 1929. In São Paulo the 1930 budget included a sum of about 15,000 contos for the same purpose, while in the State of Ceará a Highway Bureau was organised and an automotive vehicle tax imposed to supply the necessary funds for road construction.

These developments foreshadow a considerable increase in the markets for road building machinery and also for cars and trucks. Pick and shovel are still largely used for road construction in Brazil, but modern road machinery is finding an increasing market every year.

During the past nine months business in motor vehicles has received a severe setback, indeed the fall in imports has been so remarkable as to indicate that a very considerable reaction will occur during the coming year if conditions of trade improve even slightly. At the end of 1929 there were 124,424 passenger cars and buses, 63,925 trucks and 1,630 motor cycles registered in Brazil. Of these about 45,800 of the first and 37,500 of the second mentioned were imported during 1928 and 1929.

**The Second Pan-American Roads Congress.**—On August 16th, 1930, the Second Pan-American Roads Congress opened in Rio de Janeiro; the session came to an end on the 29th, after adopting a number of "conclusions," details of which have been published. Eighteen South and Central American and one North American Republic were represented and participated in the discussions and publicity. Amongst other propaganda the progress of modern road making methods and the value of road machinery were demonstrated by cinema films showing American road construction methods in practice.

The official objects of the Congress are vague and academic; its effect, however, will undoubtedly be to propagate the ascendancy of American machinery in South American markets.

The next Congress is to be held in Santiago, Chile, in 1931, and British manufacturers of road materials and machinery will miss a valuable opportunity of forming useful connections throughout South American markets if they fail to turn to account the advantage of a meeting of delegates from so many markets.

**Shipping.**—The aggregate tonnage of import and export cargo, other than coastwise, increased during the year 1929 by about 380,000 metric tons as compared with the previous year. During the first nine months of 1930, however, a decrease in import tonnage of almost 800,000 tons took place. Indeed the freight carried to Brazilian ports in July, August and September was very considerably less than during any previous quarter during the whole five-year period 1926-30; September in particular shows the lowest imports on record for many years.

Exports, on the other hand, showed an increase of over 200,000 tons during the nine months' period, the heaviest increase taking place during the first quarter of the year.

Up to the date of closing this report no figures for shipping by nationalities of vessels have been published, and it is therefore not possible to give any comparisons of progress. On the whole, however, the year has been an exceedingly difficult one.

With regard to the prospects for 1931 it would be rash to venture a prediction; one may, however, indicate two interesting developments. The first relates to the possibility that foreign vessels may be admitted to coastwise shipping trade. There is a very well informed and influential school of opinion favouring the

removal of the coastwise shipping regulations, on the ground that it is necessary by some means to reduce coastal freight rates in order that internal maritime trade may develop. The Provisional Government is disposed to make a very careful study of this whole problem, the progress of which shipping interests will be well advised to follow.

The second development is less favourable, at least to the companies engaged in immigrant passenger traffic. The importance of this traffic may be judged from the fact that over 100,000 immigrants entered Brazil during 1929; a very considerable percentage of these are seasonal labourers making the double journey during the year; immigration is therefore a greater benefit to shipping than the figures of arrivals at Brazilian ports appear to show. By a decree dated this month (December) the Provisional Government has placed very severe restrictions upon immigration for the coming year. This has been done as an unemployment relief measure, but its effect will undoubtedly be a reduction in passenger shipping for the coming year at least.

**Ports.**—In point of value of freight (tonnage figures for 1930 period not being available) the ports of Rio de Janeiro and Santos occupy an outstanding position, as the following table will serve to illustrate:—

CHIEF PORTS AND CUSTOMS DISTRICTS ONLY.  
(Value in millions sterling.)

	Imports.		Exports.	
	1st nine months.		1st nine months.	
	1929	1930	1929	1930
Santos ... ..	27·2	14·6	41·1	26·0
Rio de Janeiro ... ..	23·5	17·4	9·8	5·6
Bahia—São Salvador ... ..	1·9	1·4	3·9	2·3
Ilheos ... ..	—	—	0·3	0·5
Pernambuco ... ..	3·9	2·6	0·9	1·3
Paraná (various ports) ... ..	0·6	0·5	2·3	2·7
Rio Grande do Sul (various ports) ... ..	4·9	2·9	4·1	5·4
Victoria ... ..	0·2	0·15	3·4	2·3
Pará (various ports) ... ..	0·8	0·7	1·2	0·8
Amazonas (Manaos) ... ..	0·2	0·15	1·2	0·8
Total (all ports) ... ..	66·4	42·7	72·1	52·8

The following port improvement works were carried out by the Federal Government during 1929:—

*Port of Natal.*—Lighthouse, concrete wharf, breakwater, and warehouses at a total cost of about 339 contos.

*Port of Recife.*—Dredging of 17·594 cubic metres, wharf foundations, supply of wharf material, construction of refrigerator warehouse and completion of the Olinda quay.

*Port of Bahia.*—A contract was concluded with the Companhia Cessionaria das Docas do Porto da Bahia for construction and completion of port works.

*Port of Vitória.*—Port works under the terms of a contract with the State of Espírito Santo calling for the construction of 545 metres of wharf and two quays of 860 by 4·50 metres. Part of this work was concluded.

*Ports of Niteroy and Angra dos Reis.*—A wharf of 335 metres was completed and also No. 3 warehouse. At Angra dos Reis work was continued on the wharf and pier.

*Port of Rio de Janeiro.*—The two ports contractors, namely Cia. Nacional de Construções Civas e Hydraulicas and the Societé de Construction du port de Bahia extended the wharves some 180 metres with some 107,000 cubic metres of dredging. The concessionaire of the port, namely the Cia. Brasileira de Portos, also undertook certain improvements, notably the provision of a warehouse for explosives in the Ilha do Braco.

*Port of Santos.*—The concessionaire, namely the Cia. Docas de Santos, completed the construction of a number of warehouses. A number of gasoline tanks and cranes were also added to the port facilities.

*Port of Paranaguá.*—The State of Paraná is engaged in works as concessionaire for the Federal Government.

*Port of Itajahy.*—The North mole was completed to a length of 786 metres with a depth alongside of 3·80 metres, and other port and dredging works were continued.

In the ports of Rio Grande do Sul and Rio Cachoeira improvements and extensions are also in progress.

The Federal Government early in the year authorised an expenditure of about £200,000 on the port of Ceará and £600,000 on the port of Maceió. Later in the year a Federal decree allocated the sum of £200,000 for the port works at Fortaleza.

**Purchase of Public Works Material.**—This is a subject which calls for special study on the part of individual manufacturers, since the regulations and usual requirements of the numerous public buying bodies are too various and complicated to admit of description in a report of this kind. Detailed information may be had from the Department of Overseas Trade, from the Commercial Secretary in Rio de Janeiro, or from any British Consular Officer in Brazil.

It is extremely important, however, that manufacturers should seek to establish relations with purchasing authorities, and for this purpose the present is a peculiarly auspicious moment, since the Provisional Government is making an effort to establish standards and to unify public purchases; a decree appointing a Commission of the Finance Ministry to recommend standards was published on the 20th December, 1930, and the Commission will commence its labours immediately.

In the case of purchases by the Federal Government a central purchasing office has already been established by the new administration. The majority of Federal purchases, including those for the Lloyd Brasileiro (a national steamship company) for national railways and road works, and for the army, navy and air services, are made by public tender, but not always. Usually

the lowest bids are accepted. In the past the Government has accepted bids only from local firms or individuals who are required to establish their legal right to act for their principals. A local agency, therefore, is absolutely necessary, and in most cases bidders are compelled to furnish deposits as guarantee of good faith. What changes in procedure may be expected from the new Government are uncertain up to date, but manufacturers may be sure that reasonable reforms will be adopted and that the system will be improved. They are advised to acquaint themselves of developments in this important matter.

**Aviation.**—The following are the chief air lines in service :—

EMPRESA DE VIAÇÃO AEREA RIO GRANDENSE.

*Route.*—Porto Alegre-Pelotas-Rio Grande-Porto Alegre-Tramandhay-Torres.

	1928	1929
Extension of lines (kms.) ... ..	530	530
Machines ... ..	8	7
Distance flown (kms.) ... ..	95,360	98,235
Passengers ... ..	1,483	1,810
Mails ... ..	158,566	409,995
Freight (kgs.) ... ..	463,434	1,133,002

SYNDICATE CONDOR LTD. (German).

*Route.*—Rio de Janeiro-Santos-Paranaguá-São Francisco-Florianopolis-Laguna-Porto Alegre.

	1928	1929
Extension of lines (kms.) ... ..	1,415	1,415
Machines ... ..	9	8
Distance flown (kms.) ... ..	335,814	508,580
Passengers ... ..	1,021	2,141
Mail (kgs.) ... ..	1,417	4,967
Freight (kgs.) ... ..	11,057	15,567

COMPAGNIE GÉNÉRALE AÉROPOSTALE (French).

*Route.*—Natal-Buenos Aires.

	1928	1929
Extension of lines (kms.) ... ..	4,650	4,650
Machines ... ..	13	40
Distance flown (kms.) ... ..	481,185	495,805
Mail (kgs.) ... ..	8,112,820	18,660,711

The remaining company, namely the New York-Rio-Buenos Aires Line Incorporated (NYRBA), which was operated by the Trimotor Safety Airways Incorporated, petitioned the Government for a cancellation of its contracts, having lost a large sum of money in its operations in South America. This company later in the year (November, 1930), was purchased by the Pan-American Airway Inc. which is now operating a seven day air mail from United States to Buenos Aires in conjunction with its other South American lines.

## APPENDIX I.

EXTERNAL DEBT OF THE FEDERAL GOVERNMENT, DECEMBER 31ST, 1930.

Year.	Object.	Nominal amount	Actual amount received.	Rate.	Outstanding Dec. 31st, 1930	Service for 1931
	<i>Issued in London.</i>	Sterling.	Sterling.	%	Sterling.	Sterling.
1883	Federal Railways, Rio Water Supply, etc. ...	4,599,600	4,000,000	4.5	2,100,400	255,508
1888	Federal Railways ...	6,297,300	6,000,000	4.5	3,421,700	349,812
1889	Conversion of Loans, 1863, 1871, 1875, 1886 ...	19,837,000	17,213,500	4.0	16,373,600	901,595
1895	West of Minas Railway ...	7,442,000	6,000,000	5.0	6,408,400	450,990
1898	1st Funding Loan ...	8,613,717	8,613,717	5.0	6,872,600	478,493
1901	Purchase of shares of various railway companies ...	16,619,320	16,619,320	4.0	9,773,440	755,350
1903	Rio Port Works ...	8,500,000	7,860,000	5.0	6,984,900	558,030
1903	Rio Waterworks and new construction of Federal Railways	4,000,000	3,840,000	5.0	250,300	259,123
1910	Lloyd Brazileiro ...	1,000,000	1,000,000	4.0	428,800	187,166
1910	Conversion and Redemption West of Minas Railway shares and construction of railways ...	10,000,000	8,750,000	4.0	9,394,100	454,500
1911	Rio Port Works ...	4,500,000	4,140,000	4.0	3,150,300	405,872
1911	Ceará Railway ...	2,400,000	1,992,000	4.0	2,329,451	108,792
1913	Various Port Works and West of Minas Railway ...	11,000,000	10,670,000	5.0	10,470,800	666,600
1914	Second Funding Loan	14,502,397	14,502,397	5.0	14,179,360	805,610
1927	Consolidation of Floating Debt ...	8,750,000	7,395,000	6.5	8,431,600	669,933
	Totals in £ ...	128,061,334	118,595,934		100,569,751	7,307,374
	<i>Issued in Paris.</i>	Paper frs.	Paper Frs.		Paper frs.	Paper frs.
1908	Itapura - Corumbá Railway ...	100,000,000	100,000,000	5.0	96,811,000	5,502,455
1916	Goyaz Railway ...	25,000,000	25,000,000	5.0	24,303,000	1,278,328
1922	Purchase of Diamantina Railway ...	14,850,500	14,850,500	5.0	14,664,500	760,338
	Totals in paper frs.	139,850,500	139,850,500		135,778,500	7,541,121
	<i>Issued in Paris.</i>	Gold frs.	Gold frs.		Gold frs.	Gold frs.
1909	Pernambuco Port Works ...	40,000,000	38,100,000	5.0	39,180,658	2,216,195
1910	Goyaz Railway ...	100,000,000	78,831,284	4.0	95,677,980	4,532,900
1911	Bahia Railways ...	60,000,000	49,800,000	4.0	58,697,472	2,719,805
	Total gold frs. ...	200,000,000	166,731,284		193,556,110	9,468,900

## APPENDIX 1—continued.

Year.	Object.	Nominal amount	Actual amount received.	Rate.	Outstanding Dec. 31st, 1930	Service for 1931
		U.S. dollars.	U.S. dollars.	%	U.S. dollars.	U.S. dollars.
1921	<i>Issued in New York.</i> Treasury Loan ...	50,000,000	45,500,000	8.0	28,750,000	5,022,500
1922	Electrification of the Central Brazilian Railway ...	25,000,000	22,750,000	7.0	17,916,667	2,122,842
1926	Consolidation of Floating Debt ...	60,000,000	50,214,305	6.5	56,520,980	4,545,000
1927	Idem, Idem ...	41,500,000	36,539,889	6.5	40,149,351	3,161,500
		176,500,000	155,004,194		143,336,998	14,851,842
<i>Note.</i> —The above are Brazilian Official Estimates (November, 1930)						
SUMMARY.						
Total issue in London ...		£128,061,334	£118,595,934		£100,569,751	£7,307,374
Total issue in Paris (paper frs.) ...		£1,131,473	£1,131,473		£1,098,863	£61,012
" " (gold frs.) ...		£8,000,000	£6,669,251		£7,742,244	£378,756
Total issue in New York (U.S. dollars) ...		£36,316,872	£31,893,867		£29,493,209	£3,055,934
Grand Total Sterling ...		£173,509,679	£158,290,525		£138,904,067	£10,803,076

## APPENDIX II.

INTERNAL DEBT OF FEDERAL GOVERNMENT, DECEMBER 31ST, 1930.\*

Year.	Amount issued.	Outstanding Dec. 31st, 1930	Interest due in 1931.
	Milreis.	Milreis.	Milreis.
1827	<i>Funded (Perpetual). Apolicies exchanged for Conversion issue, 5% ... ..</i>		
	529,357:400\$	507,263:900\$	25,363:195\$
1827	Old unconverted Apolicies, 5% ... ..	3,410:600\$	170:530\$
1909-1926	Various issues of registered stock—5% ... ..	982,537:700\$	48,732:835\$
1917-1926	Various issues of Bearer Stock—5% ... ..	632,058:000\$	29,758:350\$
1903	Port Works Apolicies: Bearer Stock—5% ... ..	17,300:000\$	760:150\$
1909	Bolivia Treaty, Registered Stock, 3% ... ..	1,629:000\$	48:870\$
	Total funded ... ..	2,166,292:700\$	104,833:930\$
	<i>Redemption Fund—Internal Funded Debt.</i>	<i>Value of Stock held.</i>	
	Interest due for 1931 on stock purchased for redemption fund ... ..	69,081:100\$	3,452:859\$
	*Provision for interest on unissued bonds and redemption of unconverted apolicies (1827) ... ..	—	500:000\$
	Amount issued.	Outstanding Dec. 31st, 1930	
	Milreis.	Milreis.	
	<i>Long Term Bonds. (Redeemable).</i>		
1921	Treasury Bonds—7%	200,000:000\$	5,408:200\$
1925	Railway Bonds—7%	160,000:000\$	7,707:210\$
1928	Road Bonds—5%	80,000:000\$	3,610:000\$
	Total redeemable ... ..	440,000:000\$	16,725:410\$
	<i>Redemption Fund—Long Term Bonds.</i>		
	Treasury Bonds, redemption 10% per annum ... ..	20,000:000\$	
	Railway Bonds: redemption 10% per annum ... ..	16,000:000\$	
	Road Bonds: redemption 5% per annum	3,610:000\$	
		39,610:000\$	
	Carried forward ... ..	39,610:000\$	125,512:199\$

\*Brazilian Estimates for Budget 1931.



## APPENDIX II—continued.

	Amount issued.	Outstanding Dec. 31st, 1930	Interest due in 1931.
Brought forward ...	Milreis.	Milreis. 39,610:000\$	Milreis. 125,512:199\$
<i>Less :—</i>			
Estimated income in 1931 from Railway Taxation for Railway Bond Sinking Fund ... ..	23,707:210\$		
Estimated income in 1931 from Vehicle and Petrol Taxation for Road Bond Sinking Fund ... ..	7,220:000\$	30,927:210\$	8,682:790\$
Total Expenditure for 1931 (Int. and Redemption) ...			134,194:989\$
Sterling Equivalent: at Exchange Rate $4\frac{1}{16}$ d. ...			£2,768,000
<i>Total Funded Outstanding Internal Debt :—</i>			
		Milreis.	
Perpetual Apolicies ... ..		2,097,331:200\$	
Long Term Bonds (redeemable) ... ..		259,563:000\$	
Total ... ..		2,356,894:200\$	
Sterling Equivalent, Bank rate $4\frac{1}{16}$ d. ... ..			£48,614,802

*Floating Debt :—*

The total of this is unknown. Of the Floating Debt accumulated up to December, 1927, the greater part has been liquidated, only £440,950 now remaining. Of the Floating Debt created since that date no details are available.

## APPENDIX III.

PUBLIC DEBT OF STATES OF FEDERAL UNION OUTSTANDING ON OCTOBER 31ST, 1930.

	External.			Internal. £ Sterling.*
	£ Sterling.	Francs.	Dollars. U.S.	
Alagôas ... ..	280,000	7,500,000	—	15,000
Overdue Int. ... ..	30,000	8,400,000	—	—
Amazonas ... ..	—	103,295,000	—	945,000
Overdue Int. ... ..	—	54,007,125	—	—
Bahia ... ..	3,088,047	48,202,137	—	2,369,240
Overdue Int. ... ..	230,726	9,640,000	—	—
†Ceará ... ..	12,438,500	—	1,960,000	28,140
Overdue Int. ... ..	—	—	278,442	—
Fed. Distr. ... ..	1,828,640	—	39,690,000	7,640,796
‡Esp. Santo (includ- ing overdue int.)	—	—	—	600,000
Goyaz ... ..	—	—	—	10,000
Maranhão ... ..	—	16,401,500	1,750,000	129,865
Matto Grosso ... ..	—	—	—	160,000
Minas Geraes ... ..	1,729,800	—	8,452,000	5,591,008
Pará ... ..	2,860,060	—	—	504,750
Overdue Int. ... ..	1,165,414	—	—	—
Parahyba ... ..	—	—	—	80,000
Paraná ... ..	981,500	—	4,770,000	700,000
Pernambuco ... ..	553,040	26,385,000	5,570,500	1,061,840
Piauhv ... ..	—	—	—	—
Rio de Janeiro ... ..	3,690,300	—	5,910,000	1,049,000
Rio Grande do Norte	—	7,032,000	—	160,000
Overdue Int. ... ..	—	?	—	—
Rio Grande do Sul ... ..	—	—	40,626,500	4,140,000
Sta. Catharina ... ..	82,700	—	4,621,500	324,000
Overdue Int. ... ..	?	?	?	—
São Paulo ... ..	11,937,505	—	43,044,000	7,000,000
10,680,000 (Dutch florins)	—	—	—	—
Sergipe ... ..	—	—	—	150,000
Totals :—				
10,680,000 (florins)	28,457,732	293,301,762	156,672,942	32,658,639

Notes.—

\*Converted at Rs. 50\$000 per £ sterling.

†Ceará has deposited paper francs against the French loan to the amount of Frs.12,438,500. Holders are fighting to receive in gold francs.

‡Internal debt includes local dollar loan of \$1,755,000.

Figures for Floating Debt are not available.

APPENDIX III—*continued**Total External Debt of States excluding Coffee Institute Debt*  
(v. infra)—

	sterling equivalents.
	£
Sterling ... ..	28,457,732
Francs, equivalent at 25=£1 ... ..	11,732,050
Dollars " " 4.86=£1 ... ..	32,237,231
Total ... ..	<u>£72,427,013</u>
<i>Coffee Institute External Debt</i> :—	Outstanding
1922—Sterling Loan guaranteed by Federal Government ... ..	£ 8,209,200
1926—Sterling Loan guaranteed by the State of São Paulo ... ..	9,624,600
1930—Coffee Realisation Loan, guaran- teed by the State of São Paulo	<u>20,000,000</u>
	37,833,800
1928— <i>Bank of State of São Paulo</i> :—	
Guaranteed by the State of São Paulo ... ..	3,595,900
Total debt of States and Coffee Institute ...	113,856,713
Total Internal Debt of States, converted into sterling ... ..	32,648,639

## APPENDIX IV.

DEBT OF BRAZILIAN MUNICIPALITIES OUTSTANDING ON OCTOBER 31ST, 1930.

	External.			Internal Funded Debt where known.*
	£ Sterling.	Francs.	Dollars.	
<i>São Paulo</i> —				
City of S. Paulo ... ..	445,918	—	15,621,000	880,000
„ Santos ... ..	2,185,000	—	—	?
<i>Rio Grande do Sul</i> —				
Porto Alegre ... ..	347,100	—	9,395,000	309,000
Pelotas ... ..	460,500	—	—	?
Cachoeira, Pelotas, Uru- guayana, Caxias, Livra- mento, Bagé, Rio Grande, São Leopoldo (joint loan)	—	—	3,950,000	?
<i>Pará</i> —				
Belem do Pará ... ..	3,166,440	—	—	?
Overdue interest ... ..	1,610,480	—	—	—
<i>Bahia</i> —				
S. Salvador ... ..	2,531,600	23,440,000	—	550,000
Overdue interest ... ..	1,424,380	14,464,000	—	—
<i>Minas Geraes</i> —				
Bello Horizonte ... ..	65,180	—	—	600,000
<i>Amazonas</i> —				
Manaos ... ..	269,800	—	—	?
Overdue interest ... ..	207,700	—	—	—
<i>Pernambuco</i> —				
Recife ... ..	288,640	—	—	201,000
<i>Rio de Janeiro</i> —				
Nitheroy ... ..	796,200	—	—	—
	13,798,938	37,904,000	28,966,000	£2,540,000

\*Converted into sterling at Rs.50\$000 to £

Details incomplete.

Total External Debt of Municipalities converted into £ Sterling :—

	£
Sterling Debt... ..	13,798,938
Francs Debt (at 25 per £) ... ..	1,516,160
Dollar Debt (at 4·86 per £) ... ..	5,960,082

## APPENDIX V.

## ESTIMATED AND ACTUAL REVENUE OF FEDERAL GOVERNMENT, 1913-1929.

Year.	Revenue in paper currency.	
	Estimated.	Collected.
	Contos.	
1913 ... ..	393,982	640,615
1914 ... ..	587,843	418,751
1920 ... ..	758,181	646,838
1921 ... ..	953,746	862,137
1922 ... ..	1,120,400	918,165
1923 ... ..	1,191,302	1,283,354
1924 ... ..	1,475,760	1,510,508
1925 ... ..	1,438,719	1,713,208
1926 ... ..	1,562,038	1,644,582
1927 ... ..	1,797,979	2,039,506
1928 ... ..	2,088,933	2,216,513
1929 ... ..	2,210,770	2,399,599

APPENDIX VI.  
IMPORTS INTO BRAZIL IN 1927, 1928 AND 1929.

	Quantity (in metric tons, except livestock per head and motor cars in units).					Value £1,000			Quantity. 1st half 1930	Value £1,000. 1st half 1930
	1927	1928	1929	1927	1928	1929	1st half 1930			
	1927	1928	1929	1927	1928	1929				
CLASS I.—Livestock (head) .. .. .	10,436	16,212	11,611	153	193	188	1,874	18		
CLASS II.—Raw materials—										
Parent fuel, coal and coke .. .. .	2,214,598	2,181,784	2,324,862	4,167	3,125	3,588	1,271,262	2,064		
Cement .. .. .	441,959	456,212	535,276	1,435	1,403	1,539	225,505	634		
Iron and steel .. .. .	131,641	107,579	117,161	1,609	1,266	1,289	31,216	352		
Jute .. .. .	28,475	20,764	26,984	1,283	972	1,199	9,161	394		
Wool .. .. .	1,800	2,620	1,896	1,018	1,510	973	620	266		
Lumber and timber .. .. .	36,302	54,785	56,471	459	690	688	22,465	272		
Hides and skins .. .. .	1,108	1,248	890	897	1,144	801	235	278		
Miscellaneous .. .. .	137,142	187,596	171,239	6,834	8,662	7,295	68,313	2,567		
Total, Class II. .. .. .	2,993,025	3,012,588	3,234,779	17,702	18,772	17,372	1,628,777	6,827		
CLASS III.—Manufactured articles—										
Cotton (piece goods) .. .. .	7,246	8,311	4,940	3,912	5,015	2,684	712	365		
" (other manufactures) .. .. .	1,294	1,324	1,107	622	668	548	283	144		
Motor cars .. .. .	29,591	45,379	53,928	3,855	5,555	5,582	673	184		
Other vehicles .. .. .	21,996	19,242	29,357	1,428	1,448	1,942	3,272	261		
Rubber .. .. .	5,645	5,324	6,502	1,267	1,127	1,294	1,961	388		
Copper and alloys .. .. .	6,634	5,263	7,908	844	736	964	3,520	383		
Iron and steel .. .. .	325,423	374,126	351,053	6,407	7,220	7,171	123,006	2,519		
Gasoline .. .. .	201,242	254,324	293,626	2,694	2,882	3,614	153,011	1,888		
Kerosene .. .. .	111,841	103,697	117,256	1,398	1,243	1,425	46,166	559		
Wool .. .. .	902	1,133	1,018	927	1,149	1,033	329	329		
Linen .. .. .	922	1,435	1,164	517	848	683	309	164		
Earthenware, porcelain, glass and crystal .. .. .	14,418	18,132	21,339	924	1,126	1,213	6,700	388		
Machinery, apparatus, utensils and tools .. .. .	75,193	86,487	100,428	10,428	11,514	13,063	35,909	4,721		
Fuel oil .. .. .	358,427	336,705	336,754	1,241	811	847	185,637	489		
Paper and manufactures .. .. .	47,721	58,296	61,301	1,532	1,872	1,813	27,908	740		
Chemicals, drugs and pharmaceutical specialities .. .. .	45,231	66,737	63,132	1,782	2,288	1,983	21,995	813		
Miscellaneous .. .. .	69,999	83,094	90,262	5,449	7,039	6,176	31,487	1,816		
Total, Class III. .. .. .	1,345,054	1,500,435	1,580,304	44,642	52,541	52,035	643,292	16,151		

APPENDIX VI—continued.

	Quantity (in metric tons).			Value £1,000			Quantity.	Value £1,000.	
	1927		1928	1927		1928			1st half 1930
	1927	1928	1928	1927	1928	1929			
CLASS IV.—Foodstuffs—									
Rice ... ..	24	2,219	894	1	44	19	2	*	
Olive oil ... ..	4,382	9,074	4,452	584	945	442	3,986	310	
Codfish ... ..	36,088	41,103	37,780	1,619	1,984	1,931	19,195	932	
Potatoes ... ..	35,764	27,834	40,492	317	281	389	13,395	137	
Beverages ... ..	27,088	31,463	27,432	1,520	1,659	1,452	9,369	473	
Wheat flour ... ..	204,167	209,157	162,878	3,581	3,356	2,447	76,803	1,161	
Fruits and nuts ... ..	12,784	18,940	18,505	778	1,059	1,009	2,983	192	
Salt, rock and white ... ..	72,917	73,866	43,467	160	162	97	31,651	66	
Wheat ... ..	595,537	695,407	746,198	7,232	7,849	7,645	342,918	3,510	
Fodder ... ..	3,124	5,578	3,645	21	36	27	180	1	
Miscellaneous ... ..	21,754	27,132	26,136	1,324	1,788	1,600	10,730	613	
Total, Class IV. ... ..	1,013,629	1,141,773	1,111,879	17,137	19,163	17,058	511,212	7,395	
Grand Total ... ..	5,353,606	5,656,880	5,928,314	79,634	90,669	86,653	2,783,495	30,391	

\* Insignificant.

## APPENDIX VII.

## BRAZILIAN IMPORTS.\*

Principal articles classified, showing Great Britain's position in relation to other important suppliers of each article in the years 1927, 1928 and 1929.†

	Weight (metric tons).			Value (£1,000).		
	1927	1928	1929	1927	1928	1929
<b>CLASS I.</b>						
<i>Cotton, Wool, Linen,</i>						
<i>Jute, Silk (raw</i>						
<i>yarns and textiles)</i>						
Cotton Piece goods,						
bleached—						
<i>Total imports ...</i>	848	643	439	416	380	246
Great Britain ...	692	477	338	322	287	182
Switzerland ...	45	30	24	37	31	22
France ...	50	65	37	25	31	17
United States ...	35	46	20	19	26	11
Germany ...	11	15	11	6	10	7
Cotton Piece Goods,						
unbleached—						
<i>Total imports ...</i>	78	121	94	22	41	31
Great Britain ...	42	50	39	10	16	12
Germany ...	31	61	50	10	22	16
Cotton Piece Goods,						
printed—						
<i>Total imports ...</i>	570	677	430	457	560	330
Great Britain ...	320	381	259	239	305	197
France ...	79	99	74	70	85	53
United States ...	137	140	58	113	112	42
Switzerland ...	18	42	23	23	46	24
Cotton Piece Goods,						
dyed—						
<i>Total imports ...</i>	5,169	6,201	3,535	2,642	3,565	1,820
Great Britain ...	4,380	4,844	2,679	2,116	2,644	1,299
Italy ...	120	369	328	58	167	144
France ...	306	416	248	181	269	140
Switzerland ...	118	118	88	116	205	96
United States ...	165	231	90	118	167	55
Germany ...	51	90	63	39	76	55
Cotton Piece Goods,						
unenumerated—						
<i>Total imports ...</i>	580	670	443	375	468	256
Great Britain ...	302	301	190	183	222	102
France ...	49	67	49	40	53	38
Germany ...	56	59	50	42	41	30
Italy ...	46	81	40	27	46	24
United States ...	71	80	61	41	51	23

\*Arranged as follows :—Great Britain first, and other countries in 1929 order.

†1927 values converted 40\$000=£1

1928 " " 41\$000=£1

1929 " " 41\$000=£1



APPENDIX VII—*continued.*

	Weight (metric tons).			Value (1,000)		
	1927	1928	1929	1927	1928	1929
<b>Cotton Manufactures, unspecified—</b>						
<i>Total imports ...</i>	524	551	428	244	276	242
Great Britain ...	193	296	175	107	147	127
Germany ...	77	85	84	34	43	40
France ...	70	59	48	41	41	34
United States ...	147	72	96	46	23	27
<b>Raw Jute—</b>						
<i>Total imports ...</i>	20,612	13,143	19,118	799	505	733
Great Britain ...	450	392	155	19	19	6
India ...	19,883	12,453	18,699	767	471	720
<b>Wool yarn—</b>						
<i>Total imports ...</i>	1,450	1,981	1,385	934	1,372	870
Great Britain ...	357	485	313	204	323	190
France ...	634	902	507	428	650	322
Germany ...	40	157	231	26	108	145
Belgium ...	97	48	96	61	36	57
<b>Woollen Piece Goods</b>						
<i>Total imports ...</i>	677	830	712	793	972	868
Great Britain ...	419	495	419	530	621	549
France ...	145	199	179	157	210	187
<b>Linen Piece Goods—</b>						
<i>Total imports ...</i>	775	1,293	985	451	774	591
Great Britain ...	380	552	531	251	368	339
France ...	180	303	215	95	166	121
Belgium ...	186	351	168	93	193	90
<b>CLASS II.</b>						
<i>Iron, Steel and Manufactures.</i>						
<b>Iron Bars and Rods</b>						
<i>Total imports ...</i>	56,272	59,693	61,480	493	496	522
Great Britain ...	4,194	6,382	8,686	48	63	72
Belgium ...	34,704	34,117	34,983	269	256	273
Germany ...	4,608	5,719	6,005	50	75	68
France ...	9,936	5,556	2,486	91	38	21
<b>Iron Plates and Sheets—</b>						
<i>Total imports ...</i>	37,661	33,798	30,337	622	505	430
Great Britain ...	24,504	6,723	6,748	450	119	111
United States ...	1,605	8,483	6,347	38	181	134
Belgium ...	8,722	14,313	3,495	89	146	129
Germany ...	2,177	3,693	2,960	34	51	41
<b>Iron, Cast, Pig, Puddles and Filings—</b>						
<i>Total imports ...</i>	20,323	3,081	13,699	149	29	92
Great Britain ...	3,314	1,885	4,812	21	12	28
Belgium ...	12,263	478	5,171	89	3	31
Germany ...	201	345	782	2	6	9
United States ...	29	161	205	1	5	6

## APPENDIX VII—continued.

	Weight (metric tons).			Value (£1,000).		
	1927	1928	1929	1927	1928	1929
<b>Steel Bars and Rods—</b>						
<i>Total imports</i> ...	6,376	7,542	8,870	179	187	200
Great Britain ...	2,732	2,903	3,697	64	59	65
Germany ...	684	1,104	1,246	25	43	35
Belgium ...	642	1,000	1,979	25	15	27
<b>Steel Plates—</b>						
<i>Total imports</i> ...	2,285	2,750	2,019	32	42	33
Great Britain ...	1,503	1,158	772	20	20	12
United States ...	113	1,271	788	2	17	14
Belgium ...	423	240	276	5	3	3
Germany ...	41	51	122	1	1	2
<b>Structural Iron and Steel—</b>						
<i>Total imports</i> ...	22,840	18,756	37,433	279	230	455
Great Britain ...	670	800	1,408	15	14	14
Belgium ...	7,718	7,803	19,743	69	58	175
Germany ...	5,621	3,413	1,974	77	51	27
United States ...	2,281	2,267	9,227	51	58	17
<b>Rails, Fishplates, etc.—</b>						
<i>Total imports</i> ...	108,825	113,399	82,427	1,135	1,172	951
Great Britain ...	16,434	25,834	29,135	220	294	310
United States ...	32,188	23,769	22,061	373	295	302
Belgium ...	42,835	49,249	23,117	381	449	221
Germany ...	3,347	2,617	1,880	34	25	26
France ...	10,605	7,370	1,854	96	68	20
<b>Telegraph and Telephone Posts, Bridges and Fences—</b>						
<i>Total imports</i> ...	10,144	9,348	10,863	260	195	287
Great Britain ...	587	2,089	3,680	47	56	98
United States ...	3,162	1,404	2,967	84	33	92
Germany ...	2,003	2,517	1,341	46	53	27
<b>Tubes, Pipes and Jointings—</b>						
<i>Total imports</i> ...	39,675	56,222	54,963	747	1,006	1,016
Great Britain ...	5,103	9,101	9,614	122	187	191
Belgium ...	19,107	22,903	23,896	260	287	278
United States ...	6,753	6,901	6,497	183	186	191
Germany ...	3,132	4,958	7,631	91	143	190
France ...	2,783	3,564	706	48	37	20
<b>Barbed Wire—</b>						
<i>Total imports</i> ...	38,613	47,655	38,958	580	689	563
Great Britain ...	2,170	2,147	2,612	36	34	40
United States ...	8,757	15,972	11,726	131	229	168
Belgium ...	15,554	10,474	11,645	230	151	166
Germany ...	10,394	16,815	9,391	158	242	134
<b>Wire (not including barbed)—</b>						
<i>Total imports</i> ...	27,059	35,204	38,818	386	464	522
Great Britain ...	2,812	4,702	5,743	49	69	86
Germany ...	10,735	13,154	12,746	157	189	181
Belgium ...	10,133	11,134	12,286	127	129	150
United States ...	1,090	1,557	2,145	20	25	33

APPENDIX VII—*continued.*

	Weight (metric tons).			Value (£1,000).		
	1927	1928	1929	1927	1928	1929
Galvanised Corrugated Sheets—						
<i>Total imports</i> ...	12,438	17,904	18,294	310	396	379
Great Britain ...	6,458	7,453	8,737	162	163	181
United States ...	5,478	9,919	8,426	137	223	176
Germany ...	280	82	255	7	2	4
Tinplate—						
<i>Total imports</i> ...	32,083	33,467	25,670	796	742	574
Great Britain ...	20,584	24,238	20,960	511	542	464
United States ...	10,698	9,143	4,587	263	197	102
Tools and Utensils (including machine tools)—						
<i>Total imports</i> ...	2,826	3,475	3,068	481	582	578
Great Britain ...	633	430	455	92	78	80
Germany ...	1,000	1,556	1,306	164	213	221
United States ...	761	1,036	1,003	168	228	213
France ...	187	215	151	32	42	34
Cutlery—						
<i>Total imports</i> ...	354	544	578	222	288	290
Great Britain ...	18	15	15	15	13	9
Germany ...	261	419	462	120	180	189
United States ...	55	36	36	43	59	49
France ...	55	48	49	38	24	29
CLASS III. <i>Transport Material and General Machinery.</i>						
Locomotives—						
<i>Total imports</i> ...	12,281	6,986	6,267	1,112	577	536
Great Britain ...	2,195	2,387	1,641	176	278	147
United States ...	6,656	1,203	1,972	715	142	224
Germany ...	2,235	1,720	1,286	196	132	104
Railway Cars and Waggons—						
<i>Total imports</i> ...	14,880	10,487	18,576	607	519	870
Great Britain ...	3,844	1,534	2,296	212	135	134
United States ...	2,829	1,898	11,234	146	211	638
Belgium ...	6,918	6,225	4,094	187	126	90
Germany ...	1,055	455	415	54	12	13
Axles, Wheels, etc., for Railway Stock—						
<i>Total imports</i> ...	6,179	8,676	12,390	181	235	327
Great Britain ...	2,990	3,911	4,465	111	100	118
United States ...	401	1,258	2,241	20	42	84
Belgium ...	1,787	2,340	3,637	30	40	59
Germany ...	815	377	1,569	16	39	47
Motor Cars—		(No. of cars.)				
<i>Total imports</i> ...	16,504	27,906	29,399	2,671	3,583	3,212
Great Britain ...	158	50	22	147	24	15
United States ...	15,753	27,647	28,992	2,338	3,502	3,102
France ...	209	58	151	64	19	37
Italy ...	137	76	193	55	20	28
Canada ...	116	12	12	25	2	2

## APPENDIX VII—continued.

	Weight (metric tons).			Value (£1,000).		
	1927	1928	1929	1927	1928	1929
Motor Trucks—	(No. of Trucks)					
<i>Total imports</i> ...	13,068	17,521	24,529	1,290	1,975	2,369
Great Britain ...	126	198	128	41	59	36
United States ...	12,710	17,130	24,271	1,130	1,834	2,280
Switzerland ...	47	55	26	20	24	17
Germany ...	110	76	44	68	36	9
Italy ...	26	50	50	9	19	7
Spinning and Weaving Machinery (including looms)—	(Metric tons)					
<i>Total imports</i> ...	5,027	4,734	2,736	414	473	277
Great Britain ...	3,506	2,997	1,651	260	262	149
Germany ...	675	764	700	63	73	73
Agricultural Machinery (unspecified)						
<i>Total imports</i> ...	553	842	818	36	54	63
Great Britain ...	112	51	37	7	3	3
United States ...	186	380	406	13	25	30
Germany ...	165	216	312	12	16	21
Ploughs, Ploughing Apparatus and Parts—						
<i>Total imports</i> ...	794	1,953	1,427	37	91	61
Great Britain ...	8	46	31	1	1	1
Germany ...	296	751	541	11	20	16
United States ...	464	1,110	820	24	64	11
Threshing Machines						
<i>Total imports</i> ...	110	171	242	14	21	32
Great Britain ...	3	8	13	0.5	1	1
United States ...	101	148	192	13	18	26
Printing Machinery and Attachments—						
<i>Total imports</i> ...	474	541	1,115	135	178	303
Great Britain ...	15	17	13	5	6	7
France ...	112	23	194	15	4	40
United States ...	133	171	211	89	116	137
Germany ...	175	249	662	23	42	120
Other Industrial Machinery—						
<i>Total imports</i> ...	6,866	7,171	14,024	679	707	1,187
Great Britain ...	2,600	1,607	3,131	241	157	267
Germany ...	1,401	1,970	2,363	178	238	287
United States ...	1,230	889	1,791	170	129	205
Belgium ...	580	1,314	3,105	36	67	176
France ...	415	804	1,924	26	58	122
General Machinery and mechanical Appliances (unspecified)—						
<i>Total imports</i> ...	18,114	20,893	23,104	2,370	2,707	2,908
Great Britain ...	3,423	3,550	3,875	400	385	400
United States ...	4,025	5,572	6,798	718	955	1,038
Germany ...	6,147	8,287	8,200	705	930	951
France ...	908	708	743	133	93	103

APPENDIX VII—*continued.*

	Weight (metric tons).			Value (£1,000)		
	1927	1928	1929	1927	1928	1929
<b>Cranes—</b>						
<i>Total imports ...</i>	1,305	3,641	3,412	84	278	277
Great Britain ...	274	2,089	2,059	17	137	134
United States ...	69	898	461	7	107	44
Germany ...	482	368	326	36	25	18
<b>Boilers—</b>						
<i>Total imports ...</i>	1,518	2,032	2,424	99	117	132
Great Britain ...	934	1,003	1,240	61	63	69
United States ...	170	453	299	18	25	18
Germany ...	166	386	196	9	21	10
<b>CLASS IV.</b>						
<i>Copper.</i>						
<b>Copper Plates or Sheets—</b>						
<i>Total imports ...</i>	1,479	2,695	2,373	144	239	238
Great Britain ...	376	652	1,067	34	58	105
Germany ...	794	1,055	859	70	94	87
United States ...	50	174	230	61	24	22
<b>Copper (Cast, Moulded, Fillings, etc.)</b>						
<i>Total imports ...</i>	3,643	4,015	6,341	270	301	559
Great Britain ...	313	394	436	28	32	36
United States ...	2,716	2,963	5,631	195	221	490
Germany ...	251	296	162	20	22	13
France ...	133	85	25	16	9	5
<b>Electric Cables and Wires (insulated)—</b>						
<i>Total imports ...</i>	3,542	3,789	6,482	272	294	548
Great Britain ...	951	1,408	3,775	59	85	277
United States ...	709	792	996	85	89	118
Germany ...	706	468	503	46	35	38
Italy ...	586	323	259	35	21	22
<b>CLASS V.</b>						
<i>Chemical Products.</i>						
<b>Caustic Soda—</b>						
<i>Total imports ...</i>	18,063	21,734	16,705	374	401	290
Great Britain ...	13,403	15,913	12,454	284	229	219
United States ...	3,693	5,384	4,033	73	105	65
<b>White Zinc Paints—</b>						
<i>Total imports ...</i>	4,411	5,399	4,995	157	171	155
Great Britain ...	524	729	633	19	24	20
Belgium ...	2,532	3,043	2,744	91	96	85
Germany ...	330	429	436	10	12	12
<b>Oil Paints—</b>						
<i>Total imports ...</i>	1,645	2,000	2,646	159	183	227
Great Britain ...	744	802	727	48	47	44
United States ...	583	858	1,195	81	105	127
Germany ...	158	169	265	15	15	21
<b>Chemical Fertilisers</b>						
<i>Total imports ...</i>	9,911	21,121	24,241	92	193	224
Great Britain ...	526	1,087	1,942	7	14	22
Germany ...	5,746	13,418	15,314	56	140	154
Holland... ..	1,402	1,504	3,671	7	7	14

## APPENDIX VII—continued.

	Weight (metric tons).			Value (£1,000).		
	1927	1928	1929	1927	1928	1929
Chemical Products (unspecified)—						
<i>Total imports</i> ...	8,554	10,993	8,107	708	810	665
Great Britain ...	2,178	2,717	2,461	108	123	106
Germany ...	2,442	3,427	2,361	144	186	149
United States ...	1,110	1,077	772	125	125	87
CLASS VI.						
<i>Electrical Material and Apparatus.</i>						
Apparatus and Ap- pliances for Electric Light—						
<i>Total imports</i> ...	5,217	6,129	7,573	1,063	1,247	1,697
Great Britain ...	759	782	906	173	171	190
United States ...	2,162	2,915	3,533	531	637	794
Germany ...	1,183	1,601	1,786	177	250	270
Electric Dynamos and Generators—						
<i>Total imports</i> ...	1,345	1,065	1,925	194	172	281
Great Britain ...	70	130	91	15	32	18
United States ...	610	237	934	97	57	150
Germany ...	373	505	641	44	61	72
Electric Motors—						
<i>Total imports</i> ...	1,605	1,690	2,177	244	251	332
Great Britain ...	205	212	269	35	37	43
United States ...	494	475	657	93	88	116
Germany ...	379	440	507	50	59	71
Italy ...	121	104	149	15	13	17
Switzerland ...	108	60	75	18	10	12
Transformers—						
<i>Total imports</i> ...	1,526	1,717	3,337	202	207	382
Great Britain ...	261	173	471	37	17	54
United States ...	759	948	2,093	107	128	245
Germany ...	265	361	499	28	38	52
CLASS VII.						
<i>Fuels, Oils and Cement.</i>						
Coal—						
<i>Total imports</i> ...	2,007,675	1,950,258	2,067,347	3,728	2,721	3,136
Great Britain ...	1,403,230	1,778,233	1,799,771	2,297	2,439	2,693
United States ...	580,354	151,109	185,080	1,358	251	300
Cement—						
<i>Total imports</i> ...	441,959	456,212	535,276	1,435	1,403	1,539
Great Britain ...	56,278	60,837	64,927	187	198	189
Germany ...	114,814	—	121,575	405	—	375
Belgium ...	86,784	85,010	125,024	277	246	340
Denmark ...	69,866	101,725	111,860	211	281	290
Sweden ...	47,239	52,237	56,725	145	149	115
Lubricating Oils—						
<i>Total imports</i> ...	34,112	38,417	45,364	822	840	1,011
Great Britain ...	636	811	1,546	20	23	47
United States ...	32,450	35,517	40,946	776	776	903
Mexico ...	575	1,803	2,510	16	33	400

## APPENDIX VII—continued.

	Weight (metric tons).			Value (£1,000).		
	1927	1928	1929	1927	1928	1929
Gasoline—						
<i>Total imports</i> ...	201,242	254,345	293,626	2,694	2,882	3,614
United States ...	113,860	128,947	173,061	1,760	1,820	2,468
Mexico ...	38,800	56,603	47,204	494	509	504
Kerosene—						
<i>Total imports</i> ...	111,840	103,697	117,256	1,398	1,243	1,425
United States ...	89,182	82,007	82,811	1,114	1,009	1,057
Mexico ...	21,944	20,020	18,125	270	213	215
CLASS VIII.						
Foodstuffs.						
Wheat—						
<i>Total imports</i> ...	595,537	695,407	746,197	7,232	7,849	7,645
Argentina ...	576,278	673,241	729,171	6,982	7,585	7,412
Uruguay ...	12,758	22,121	13,299	159	263	140
United States ...	6,499	2	3,231	87	0	32
Wheat Flour—						
<i>Total imports</i> ...	204,167	209,157	162,878	3,581	3,356	2,447
Argentina ...	99,058	42,324	81,929	1,637	1,696	1,119
United States ...	87,499	76,456	68,021	1,653	1,351	1,128
Uruguay ...	16,260	18,167	12,513	260	275	175
Dried Codfish—						
<i>Total imports</i> ...	36,088	41,103	37,780	1,619	1,984	1,931
Great Britain ...	12,456	14,296	11,838	591	683	595
Newfoundland	14,620	16,014	17,108	623	774	897
Norway ...	5,110	6,273	5,295	224	309	254
Canada ...	555	568	1,647	24	30	86
United States ...	2,125	1,732	416	102	84	20
CLASS IX.						
Various.						
Enamelled Iron Manufactures—						
<i>Total imports</i> ...	820	1,233	1,165	100	158	153
Great Britain ...	50	51	42	5	5	5
Germany ...	644	1,002	939	77	129	123
United States ...	33	29	41	6	4	41
Window Glass—						
<i>Total imports</i> ...	7,788	9,385	11,811	143	177	219
Great Britain ...	1,235	1,537	1,724	31	36	39
Belgium ...	4,960	5,398	7,728	76	86	123
Germany ...	728	1,168	1,712	23	53	41
Printing Paper—						
<i>Total imports</i> ...	4,756	6,802	5,394	148	208	152
Great Britain ...	881	1,471	1,336	31	51	44
Germany ...	1,484	1,542	1,641	49	53	50
Sweden ...	388	689	915	10	17	13
Norway ...	438	1,119	435	11	24	8
Finland ...	360	138	99	7	3	2

## APPENDIX VII—continued.

	Weight (metric tons).			Value (£1,000).		
	1927	1928	1929	1927	1928	1929
Rubber Tyres and Inner Tubes (excluding solid tyres)—						
<i>Total imports</i> ...	4,730	4,294	5,611	988	821	1,003
Great Britain ...	599	381	540	82	78	101
United States ...	3,185	2,709	3,419	637	500	588
Canada ...	5	567	793	1	104	144
France ...	1,078	471	197	259	109	42
Leather Belting—						
<i>Total imports</i> ...	111	100	98	62	54	59
Great Britain ...	53	41	37	29	24	22
United States ...	16	15	17	12	8	14
France ...	18	16	17	11	11	12
Germany ...	6	7	9	4	3	4
Manufactures of Skins and Leathers, unspecified—						
<i>Total imports</i> ...	88	121	78	118	153	104
Great Britain ...	54	80	46	80	110	70
France ...	6	7	6	8	6	6
Germany ...	10	8	5	12	10	5
Skins and Hides, Tanned or otherwise prepared—						
<i>Total imports</i> ...	705	794	873	821	1,066	757
Great Britain ...	21	29	26	23	39	35
United States ...	310	304	191	371	459	252
Germany ...	102	154	152	170	295	227
France ...	74	95	66	88	116	85
Argentina ...	104	127	60	87	96	50
Uruguay ...	70	66	52	36	27	28
Pianos—	(No.)	(No.)	(No.)			
<i>Total import</i> ...	3,346	3,379	2,240	165	217	146
Great Britain ...	64	242	89	5	7	5
Germany ...	3,056	2,872	1,945	145	196	127
France ...	102	104	114	7	6	8
Gramophones, Gramophone Records and Accessories—						
<i>Total imports</i> ...	(Metric tons).					
	493	932	957	211	355	372
Great Britain ...	49	89	114	21	38	40
United States ...	314	644	646	146	259	258
Germany ...	109	168	176	44	59	61
Photographic Apparatus, Plates, Paper, Films and Accessories						
<i>Total imports</i> ...	340	428	428	125	182	191
Great Britain ...	13	20	14	4	8	5
Germany ...	182	211	216	58	81	98
United States ...	52	67	73	42	61	61



## APPENDIX VII—continued.

	Weight (metric tons).			Value (£1,000).		
	1927	1928	1929	1927	1928	1929
Cinematograph Films—						
<i>Total imports</i> ...	38	46	42	110	100	91
United States ...	34	39	37	103	85	77
Germany ...	2	3	3	3	7	7
France ...	2	2	2	5	6	4
Wireless Apparatus and Accessories						
<i>Total imports</i> ...	177	177	242	93	86	124
Great Britain ...	4	5	2	5	4	3
United States ...	154	134	182	80	63	78
Germany ...	13	21	54	7	9	39
Sewing Machines—						
<i>Total imports</i> ...	2,745	4,812	4,355	506	836	799
Great Britain ...	25	37	45	7	9	10
United States ...	1,986	3,301	2,735	365	559	478
Germany ...	704	1,194	1,484	127	225	289
Typewriting Machines and Accessories—						
<i>Total imports</i> ...	318	323	332	213	236	247
Great Britain ...	10	3	2	2	2	1
United States ...	256	254	271	180	182	207
Germany ...	27	48	38	19	27	23
Calculating machines—						
<i>Total imports</i> ...	129	219	233	112	182	203
United States ...	122	208	216	98	165	179
Germany ...	5	9	15	12	14	18
Stoves—						
<i>Total imports</i> ...	435	547	855	49	57	92
Great Britain ...	37	37	69	3	3	6
United States ...	216	229	312	26	28	40
Germany ...	147	227	339	15	22	32

## APPENDIX VIII.

BRAZILIAN IMPORTS BY CLASSES OF COMMODITIES (JANUARY TO SEPTEMBER—  
NINE MONTHS).

	Quantity.		Value in £1,000	
	1929	1930	1929	1930
Live animals ... .. (head)	6,775	3,401	120	85
Briquettes, coal and coke (tons)	1,769,626	1,544,277	2,688	2,504
Cement ... .. "	397,746	318,953	1,146	884
Iron and steel ... .. "	90,485	41,975	1,008	481
Jute ... .. "	16,621	15,892	765	662
Wool ... .. "	1,380	1,092	763	413
Lumber and timber ... .. "	42,386	32,515	517	391
Skins and hides ... .. "	639	362	598	391
Other raw materials ... .. "	129,589	99,983	5,658	3,818
Cotton (piece goods) ... .. "	4,455	1,069	2,403	573
Cotton (other manufactures) ... .. "	932	390	444	203
Motor cars ... .. (No.)	51,650	1,573	5,235	299
Other vehicles ... .. (tons)	25,814	6,076	1,648	415
Rubber manufactures... .. "	5,311	2,872	1,053	564
Copper and alloys .. .. "	5,859	4,610	715	508
Iron and steel .. .. "	273,055	172,858	5,581	3,508
Gasoline ... .. "	216,695	212,429	2,586	2,538
Kerosene ... .. "	79,327	65,758	989	798
Wool manufactures ... .. "	803	408	836	394
Linen .. .. "	868	547	508	291
Earthenware, porcelain, glass and crystal ... .. "	16,026	8,990	913	533
Machinery, apparatus, utensils and tools ... .. "	78,544	45,986	9,815	6,292
Fuel oil ... .. "	246,952	273,489	611	700
Paper and manufactures thereof ... .. "	44,860	40,622	1,322	1,080
Chemical products, drugs, and pharmaceutical specialities ... .. "	49,997	57,057	1,540	1,192
Other manufactured goods .. .. "	67,084	19,154	4,665	2,655
Rice ... .. "	851	25	18	*
Olive oil ... .. "	3,054	5,595	316	427
Codfish ... .. "	26,726	27,628	1,366	1,286
Potatoes ... .. "	32,938	21,633	315	213
Drinks ... .. "	20,432	14,534	1,083	730
Wheat flour ... .. "	128,942	113,178	1,912	1,651
Fruits and nuts ... .. "	6,941	4,897	399	299
Salt, rock and white ... .. "	31,805	34,962	72	74
Wheat ... .. "	552,011	503,129	5,560	4,998
Fodder ... .. "	3,105	271	23	2
Other foodstuffs... .. "	20,659	16,649	1,210	929
Grand Total ... .. "	4,482,395	3,712,794	66,401	42,786

\* Insignificant.

## APPENDIX IX.

## BRAZILIAN EXPORTS CLASSIFIED—JANUARY TO OCTOBER (10 MONTHS).

	Quantity.		Value in £1,000	
	1929	1930	1929	1930
CLASS I :—				
Animals and their products ... .. (tons)	147,089	203,647	7,627	8,830
CLASS II :—				
Minerals and their products ... .. „	270,811	178,887	953	918
CLASS III :—				
Vegetables and their products ... .. „	1,352,606	1,553,976	71,903	47,389
Total ... ..	1,770,506	1,936,510	80,483	57,137

## APPENDIX X.

## POPULATION OF BRAZIL ESTIMATED ON 31ST DECEMBER, 1929.

State of	Population.
Alagôas ... ..	1,189,214
Amazonas ... ..	433,777
Bahia ... ..	4,135,894
Ceará ... ..	1,626,025
Districto Federal ... ..	1,468,621
Espirito Santo ... ..	661,416
Goyaz ... ..	712,210
Maranhão ... ..	1,140,635
Matto Grosso ... ..	349,857
Minas Geraes ... ..	7,442,243
Pará ... ..	1,432,401
Parahyba do Norte ... ..	1,322,069
Paraná ... ..	974,273
Pernambuco ... ..	2,869,814
Piauhy ... ..	809,508
Rio de Janeiro ... ..	1,996,899
Rio Grande do Norte ... ..	738,889
Rio Grande do Sul ... ..	2,959,627
Santa Catharina ... ..	948,398
São Paulo ... ..	6,399,190
Sergipe ... ..	547,965
Territorio do Acre ... ..	113,725
Population of Brazil... ..	40,272,650

## APPENDIX XI.

POPULATION OF STATE CAPITALS OF BRAZIL ESTIMATED ON 31ST DECEMBER, 1929.

Capitals.	Population.
Maceió ... ..	103,930
Manaos ... ..	83,736
São Salvador ... ..	329,898
Fortaleza ... ..	98,848
Districto Federal ... ..	1,468,621
Victoria ... ..	29,243
Goyaz ... ..	26,328
São Luiz ... ..	62,895
Cuyabá ... ..	41,148
Bello Horizonte ... ..	108,849
Belém ... ..	279,491
Parahyba ... ..	74,104
Curityba ... ..	100,135
Recife ... ..	340,543
Therezina ... ..	64,379
Nictheroy ... ..	108,233
Natal ... ..	41,747
Porto Alegre ... ..	273,376
Florianopolis ... ..	46,520
São Paulo ... ..	879,788
Aracajú ... ..	49,114
Total ... ..	4,610,126

## APPENDIX XII.

AGRICULTURAL PRODUCTION OF BRAZIL.  
Crops, 1928-1929.

Product.	Quantity (in metric tons, except where otherwise stated).	Value Sterling in 1,000's of £.
Coffee ... ..	1,390,330	55,613
Maize ... ..	4,798,093	19,189
Sugar ... ..	987,823	13,829
Rice ... ..	1,098,470	10,984
Mandioca flour ... ..	895,576	7,165
Beans ... ..	694,950	6,949
Tobacco ... ..	108,412	6,540
Cotton ... ..	113,881	5,466
Aguardiente and alcohol (hectolitres) ... ..	2,177,564	4,355
Wines (hectolitres) ... ..	762,643	3,813
Potatoes ... ..	248,613	3,480
Herva Maté ... ..	210,850	3,373
Bananas (1,000 bunches) ... ..	61,896	2,475
Oranges (boxes) ... ..	5,021,100	2,008
Hay... ..	198,695	1,788
Cocoa ... ..	79,861	1,597
Wheat ... ..	146,856	1,174
Rubber ... ..	19,860	1,222
Coconuts (centals) ... ..	950,379	570
Pineapples (centals) ... ..	592,084	305
Brazil Nuts ... ..	21,600	259
Babassú Nuts ... ..	18,581	185

## APPENDIX XIII.

ROADS OF BRAZIL.  
(Metres.)

	Concrete.		Macadam.	Gravel.	Earth.	Totals.
	Cement.	Tarred.				
Amazonas	—	—	—	—	258,000	258,000
Pará	—	—	—	—	573,500	573,500
Maranhão	—	—	—	—	3,128,000	3,128,000
Piauhv	—	—	—	—	3,014,000	3,014,000
Ceará	7,000	—	—	—	3,560,224	3,567,224
Rio Grande do Norte	—	—	—	—	3,972,570	3,972,570
Parahyba	—	—	—	—	3,812,879	3,812,879
Pernambuco	—	—	—	—	4,902,980	4,902,980
Alagoas	—	—	—	—	2,627,900	2,627,900
Sergipe	—	—	—	—	328,500	328,500
Bahia	15,000	—	—	—	4,885,473	4,900,473
Espirito Santo	6,000	—	38,125	—	1,090,440	1,134,565
Rio de Janeiro	55,000	—	158,000	—	3,677,020	3,890,020
Districto Federal	15,000	38,000	253,100	—	242,300	548,400
São Paulo	20,000	30,991	73,404	2,364,115	25,573,490	28,062,000
Paraná	—	10,000	379,450	290,000	7,808,550	8,488,000
Santa Catharina	—	—	370,000	—	6,679,000	7,049,000
Rio Grande do Sul	7,000	—	224,000	218,000	11,429,000	11,878,000
Minas Geraes	—	—	54,000	500,000	17,174,000	17,728,000
Goyaz	—	—	—	—	5,798,025	5,798,025
Matto Grosso	—	—	—	—	5,840,000	5,840,000
Totals	125,000	78,991	1,550,079	3,372,115	116,375,851	121,502,036

## ANNEX.

## REPORTS ON CONSULAR DISTRICTS.

## I.

## RIO DE JANEIRO.

*Federal District and the States of Rio de Janeiro, Espirito Santo, Minas Geraes and Goyaz.*

## FEDERAL DISTRICT.

**General Conditions.**—The Federal District has a population of about 1,468,000, and, therefore, constitutes the most densely populated of the retail markets of the Republic. It includes the capital and the immediate surroundings; a considerable portion of its trade consists in catering to the tastes and requirements of tourists, and transients of all kinds; it is in many respects a holiday resort; indeed the city of Rio de Janeiro seems to have been intended by nature, which has been prodigal in its adornment, as a pleasure ground, rather than as a serious financial and political centre. The city abounds in well paved boulevards surpassing in natural beauty, orderly arrangement and maintenance anything to be seen on the Mediterranean Rivas. Its endless bathing beaches, vistas of white sand and surf, attract innumerable visitors and serve as a recreation ground par excellence and particularly during the short hot summer. The splendid avenues, luxurious hotels, the mosaic paved streets, fine shops, and sumptuous residences; these give the city its characteristic touch, and in their brilliant natural setting have earned for it the reputation of the most beautiful city in the new world.

It derives, moreover, no little of its prosperity from its position as a political centre; the government departments give employment to many thousands, while politicians and lobbyists from all over the country who assemble for the annual parliament add to the crowds who fill the shops and hotels. In many respects, therefore, it is a quality and luxury market.

This district contains also the second largest industrial centre and the second port in the Republic. Being within a short railway journey of the great industrial district of São Paulo it is a convenient alternative point for the establishment of a branch or agency.

It is sometimes possible for an agent in Rio de Janeiro or São Paulo to cover both markets, but it should be remembered that these markets contain roughly about 50 per cent. of the total population of Brazil—and probably 60 per cent. of the purchasing power.

**Present situation of trade.**—The retailers in the Federal District have probably suffered less than any in the Republic in consequence of the trade depression. The decline in coffee prices, which has reduced sales in São Paulo as much as 50 per cent. in many lines, has been less felt in Rio de Janeiro, whose prosperity depends less upon coffee earnings. Indeed it may be said in general that trade conditions in the Federal District are altogether more stable and uniform.

**Public Works and Construction.**—Two new public buildings, namely the João Caetano Theatre and the Municipal Library, were completed during the year. Some 1,700 square metres of street area were repaired and maintained in 1929, as compared with 1,300,000 in 1928.

5,626 building permits were issued during the year (1929) and 4,650 buildings were completed.

**Telephones.**—A contract was signed for the installation of automatic telephones and equipment sufficient for 26,000 was ordered. On December 31st, 1929, some 43,470 telephones were in service.

**Tramway and Omnibus Services.**—The two Tramway Companies, namely The Rio de Janeiro Light and Power Company, Ltd., and the Companhia Jardim Botânico transported over 1,100,000 passengers per day. The former company took over seven of the existing bus services, thus securing a measure of uniformity and standardisation in the existing services.

**Sample Fair.**—The second annual Sample Fair was inaugurated on the 29th June, 1929, and the third of the series—this time an International Sample Fair—was opened on 9th August, 1930. At the latter some 233 exhibitors participated and 328,425 visitors attended, a very considerable advance on the previous year.

**Vehicles licensed.**—The following table gives the number of motor vehicles and bicycles licensed in the Federal District during the years 1928 and 1929 :—

	1928	1929	Increase, 1929
Motor vehicles and buses ... ..	16,008	18,032	2,024
Official motor cars ... ..	—	1,241	—
Bicycles ... ..	1,475	2,261	786

**Finance.**—The year opened with a deficit carried forward from 1928, and though the ordinary revenue exceeded that of 1928 by nearly 10,000 contos, closed with a deficit as shown in the following table :—

STATEMENT SHOWING DEFICIT FOR THE YEAR 1929.

Revenue ... ..	176,648:923\$781
Ordinary ... ..	167,757:225\$487
Extraordinary ... ..	8,891:698\$294
Expenditure ... ..	209,710:531\$307
Realized ... ..	208,464:844\$158
Workmen's	
Personnel ... 104,548:477\$932	
Material ... .. 103,916:366\$226	
Payable ... ..	1,245:687\$149
Salaries, Bonuses, etc. 198:689\$968	
Subventions ... .. 3:600\$000	
Rents ... .. 7:140\$000	
Workmen's Accidents 300:194\$017	
Premiums ... .. 10,000\$000	
Sundry Accounts ... 726:063\$164	
Deficit, 1929 ... ..	33,061:607\$526

The floating debt was reduced during the year from Rs.14,477:417\$000 to Rs.12,078:910\$000, and Rs.7,058:200\$000 in bonds of the consolidated internal debt were withdrawn from circulation. The total funded debt at the end of 1929 was as follows :—

External debt ... ..	Rs.400,171:355\$000
Internal debt ... ..	Rs.348,182:000\$000
	Rs.748,353:355\$000

## STATE OF RIO DE JANEIRO.

**General.**—In his message published only two days before the outbreak of the revolution the President of the State of Rio de Janeiro expressed confidence in the ability of the State to recover from the financial and economic depression which marked the whole of the past year.

In common with the rest of the country the position in the internal affairs of the State and in its finances is now obscure, but there is every reason to believe that improvement will result from the efforts of the new administration which has been provisionally installed at Nictheroy. The state of the finances of the district has been the subject of a careful investigation and a rigorous régime of economy has been established.

**Public Works.**—The Leopoldina Railway inaugurated certain extensions of their lines in connection with the port works of Nictheroy, the chief port of the State. A considerable extension of highways was achieved, bringing the total length of automobile road in the State to 2,710 kilometres. Sanitation works were also carried out.

**Agriculture.**—The State suffered in common with other coffee producing zones from the low prices prevailing and general dislocation of the coffee markets. New coffee areas were, however, developed, particularly in the north of the State.

In the second agricultural product of the State, namely sugar cane, the State authorities took an active part in fighting the "mosaico" pest by providing several thousand tons of various species of canes less susceptible to the disease.

The cultivation of oranges, in which the State occupies a leading position in the Republic, continues to increase in extent, and when modern methods of handling the fruit are provided it may be expected that this crop will increase very considerably. The State produces a type of orange for which there is a demand in the United Kingdom, where importers are beginning to show signs of a very active interest in this region as a potential source of supply. Considerable progress was made by the State experimental cotton farm at Itaocara, and also in the activities of the "Horto Botanica" of Nictheroy, which distributed some 24,000 plants during the year.

**Salt.**—On the 31st July, 1930, the State inaugurated a public salt refinery, with a view to the development of what may well prove to be a most important industry, producing not only for local consumption, but also for export.

**Yellow Fever.**—During the first six months of 1929 an outbreak of yellow fever, happily on a small scale, occurred in the State, approximately 300 cases being reported, chiefly in Nictheroy and district. Energetic measures were adopted and no further cases were reported until February, 1930, when about fifty more cases occurred in a distant region of the State, chiefly in the locality of Santo Aleixo. During the three years 1928-1930, some 738 cases were reported in the Federal District as against 374 in the whole State of Rio de Janeiro.

**Finance.**—The income and expenditure for 1929 showed a deficit of 3,585 contos (£89,625), which reduced the balance carried forward to 1930 to 8,916 contos (£222,900). The total income of 121,480 contos (£3,037,000) included £92,500 received from the 1927 loan in London and \$3,570,000 from the 1929 loan of 6 million dollars in New York. The total indebtedness is shown in Appendix III. The floating debt increased considerably in 1930, as also the internal debt, while the remainder of the 1912 sterling loan was redeemed.

## STATE OF MINAS GERAES.

**General.**—This State is primarily agricultural, pastoral and mining. For general import distribution purposes it belongs partly to the marketing district of Rio de Janeiro and partly to São Paulo. Its best buying season is from



June to the end of the year. It has no coastline, but is well served by a series of railways.

**Production.**—The production of the State during 1929 is given as follows :

	Contos.
Agricultural ... ..	1,384,736
Cattle ... ..	1,216,484
Manufactures... ..	958,907
Minerals ... ..	321,169

The value of production of various agricultural commodities was as follows in 1929 :—

	Contos.
Coffee ... ..	487,200
Cattle ... ..	858,544
Indian Corn ... ..	282,000
Milk (sold) ... ..	159,418
Rice ... ..	121,944
Cheese... ..	113,120
Sugar and molasses ... ..	120,610
Beans ... ..	105,000
Butter... ..	100,282

Production of manganese in 1929 amounted to 258,000 tons, valued at 13,313 contos, approximately the same as in 1928.

**Exports.**—Total value of exports from the State in 1929 amounted to 1,070,423 contos, a slight increase upon the exports for the previous year. The principal items are as follows :—

1929	Quantity.	Value. Contos.
Coffee (bags) ... ..	3,977,054	648,862
Cattle (head) ... ..	517,004	94,823
Butter (met. tons) ... ..	6,699	41,617
Textiles ,, ... ..	3,685	30,445
Cheese ,, ... ..	8,829	27,291
Poultry ,, ... ..	5,434	19,586
Gold (kilos) ... ..	3,415	19,271
Milk (met. tons) ... ..	30,451	18,432
Meat ,, ... ..	5,779	14,353

**Finance.**—*Revenue and expenditure* in 1929 were as follows :—

1929	Ordinary.	Extra-ordinary.	Total.
	Contos	Contos	Contos
Revenue ... ..	151,043	81,007	232,050
Expenditure ... ..	206,290	—	206,290
Surplus or deficit ... ..	—55,247	+81,007	+25,760

The sale of the Bello Horizonte tramway, light and power services to an American enterprise contributed 34,000 contos towards the extraordinary revenue.

*Taxes* constitute the principal source of revenue of the State, aggregating 115,816 contos in 1929, as against 111,663 contos in 1928 and 95,879 contos in 1927.

The *export tax* contributed 62,000 contos in 1929, as against 57,000 contos in 1928 and 55,000 contos in 1927, followed by the industrial tax, with 33,693 contos in 1929, and patrimonial tax with 1,531 contos.

*Expenditure* for 1929 was fixed at 224,148 contos, but actually amounted to only 206,290 contos, as compared with 178,981 contos in 1928 and 143,749 contos in 1927.

The <i>foreign debt</i> of the State is as follows :—	In circulation.
1928 sterling loan ... ..	£13,000,000
*1929, 6½ per cent. dollars loan (total \$25,000,000) ... ..	\$8,000,000
Franc debt (old) ... ..	Frs.43,806,750
1923 Minas Geraes Electric Light and Tramways loan ... ..	£18,160
1929 Two Years, Banque Française et Ital. loan ... ..	\$2,500,000

\*This loan, the authorised amount of which aggregates 25,000,000 dollars, was to have been issued in three different instalments, but owing to adverse conditions ruling in view of the disturbances in the New York Stock and Money markets, only the first issue of 8,000,000 dollars has so far been effected. The balance unissued of 17,000,000 dollars has been reduced to 14,000,000 dollars in virtue of a contra issue of internal Apolicies (bonds). The old franc debt is being redeemed without delay.

### STATE OF ESPIRITO SANTO.

**General.**—This small State belongs to the import marketing district of Rio de Janeiro. It has a population of about 635,000, and its total exports in 1929 amounted to about 208,000 contos.

The State depends primarily upon the coffee crop for its prosperity and purchasing power. In 1929 it occupied the third place amongst Brazilian states in point of coffee production and number of coffee trees. The 1929-30 crop amounted to almost one and a half million bags—a very considerable increase over the production of the previous season.

The State also produces considerable quantities of cocoa, coconuts, oranges, and cereals. It also contains valuable pastoral areas.

**Finance.**—The finances of the State appear to be in a somewhat disorganised condition. According to the recently appointed Interventor the ordinary revenue is about 18,000 contos while the expenditure has risen to a sum of about 35,000, with a floating debt of 70,000 contos. The interest upon the foreign debt has been in arrears for the past year.

In order to rectify this state of affairs the government has resolved to suspend all public works, to reduce the number of state employees, and to inaugurate a régime of rigorous economy. The Federal Government has been approached also with a view to obtaining a grant to meet current liabilities.

### STATE OF GOYAZ.

This State, which lies to the west of the States of Minas Geraes and Bahia—and to the east of the State of Matto Grosso, forms part of the vast undeveloped interior of the Republic. It has a wide area, but less than three-quarters of a million inhabitants and lacks the transportation facilities necessary to encourage development. The State affords good pasturage and some progress has been made in cattle raising. Its coffee production reached a maximum total of some 13,000 bags in the season 1928-29.

The State has no foreign debt, and its annual revenue for 1928—namely 6,215 contos—was less than that of any other state of the Republic with the exception of Piauhy.

## SÃO PAULO.

DECEMBER, 1930.

*By Arthur Abbott, His Majesty's Consul-General, São Paulo.*

**General Aspect.**—In reviewing the economic position in this State, reference must be made to the great changes in the political situation in the country and their effect upon the general development of the State of São Paulo. The important part the latter has always played in the Brazilian business world will rather be enhanced by the manifold reforms and the reorganising work now being carried on. These bid fair to bring all São Paulo's economic and natural resources into full play, a work of great importance, for without an intense productive activity in this State the general progress of the whole of Brazil will fall far below the mark of reasonable expectation. Undoubtedly, those now in power clearly recognise the necessity of fostering to the utmost the economic possibilities of São Paulo, and a feeling of greater confidence has been engendered in business circles.

**Population.**—At present the population of the State of São Paulo amounts to about 7½ million, of which the Capital contains about 1,000,000; Santos 160,000; Campinas 150,000; Ribeirão Preto 80,000. As the cities and towns are sufficiently provided with a working class supplying the needs of industries, trade and traffic, a strong governmental movement has been inaugurated with the object of looking after labour which is in excess of actual industrial demand. It is proposed to draft the excess labour on to the vast and very fertile agricultural regions of the State, where, under the guidance of well-known specialists, and provided with all the essentials to start farming on their own land, they are sure to increase agricultural production, which is now recognised to be the very foundation of São Paulo's economic life—to say nothing of eliminating an unwanted congestion in the industrial centres. There is absolutely no reason for the troublesome problem of unemployment entering into São Paulo's sphere.

**Immigration.**—Inseparably connected with the progress and population of the State of São Paulo is the problem of its immigration. According to official statistics (which have been verified by interested and private concerns), this State has during the century closing with the year 1929 absorbed 2,522,337 immigrants. Of these 1,193,233 paid their own passage, 1,151,389 were subsidised immigrants and 177,715 were non-specified. These immigrants were composed of the following nationalities:—

Italians	...	...	...	...	933,554
Portuguese	...	...	...	...	389,262
Spaniards	...	...	...	...	380,533
Brazilians	...	...	...	...	280,949
Japanese	...	...	...	...	85,103
Austrians	...	...	...	...	277,911
Sundry	...	...	...	...	36,799
Not specified	...	...	...	...	138,226

Total	...	...	...	...	2,522,337
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To assume from the above figure the average number of immigrants arriving annually amounts to 25,000 would be incorrect, since organised immigration to São Paulo only commenced after the abolition of slavery in 1889.

**The World Crisis and São Paulo.**—The fact that so many intimate ties connect São Paulo with the world's commerce, especially that of the British Empire and the United States, also explains the effect of the general depression upon the business life of São Paulo. But indications here point to the

approaching end of the crisis as regards this State, mainly because of the fuller opportunities in its home market and Brazilian domestic consumption. Naturally, the full rural development now firmly decided upon opens up ever increasing possibilities for the British manufacturer to supply the manifold needs of national farming, of stock breeding with by-products, and of scientific cultivation of large plantations. This is the gist of the programme decided on by the newly constituted powers in São Paulo, and strongly supported by public opinion and the dominating business element. The patriarchal hoe is to give way once for all to the modern tool, the primitive plough to the tractor. There is now a readier welcome to good implements of all kinds from abroad, adapted to existing conditions. British products enjoy confidence and popularity throughout Brazil, but especially in the State of São Paulo. It is for British exporters to take advantage of this opportunity.

The following statement shows how the economic crisis has affected exports and imports of the State of São Paulo during the first nine months of this year, compared with the same period of 1929 :—

Exports in 1930 were	...	...	...	...	£ 26,092,669
Against in 1929	...	...	...	...	41,104,643
Imports in 1930 were	...	...	...	...	14,624,261
Against in 1929	...	...	...	...	27,272,461

Viz. :—the exports decreased by £15,011,974 and the imports by £12,648,200. Consequently, the surplus-exports value of £13,832,182 in 1929 fell to £11,468,408 in 1930—corresponding to a reduction of the balance by £2,343,774.

Coffee experienced the hardest setback during those first nine months, the value of its exports showing a decline of 550,000 contos of reis or about 33 per cent. as compared with the same period in 1929. Experts of the coffee trade have anticipated a decline of 800,000 contos of reis in the value of the coffee exported from Santos during the entire present year, as against the value of coffee exported in 1929.

Hides exported during the first nine months of 1930 show an increase of 5,148 contos in value over the same period in 1929. Regarding imports, motor cars and trucks suffered the largest reduction, passenger cars falling from 92,446 contos to 6,083 contos, motor trucks from 73,573 contos to 1,661 contos. The motor car trade of São Paulo lies almost entirely in American hands. The United States continues to enlarge its position as first seller to and buyer from this State. During the first nine months of 1930 they imported from São Paulo 74,142,353 dollars worth of merchandise via Santos, and exported to this State articles to the value of 17,083,530 dollars. France comes next as buyer of São Paulo products with \$12,377,640. Great Britain occupies the second place as exporter to São Paulo with £2,838,126 during the first nine months of this year—figures which should serve rather to illustrate proportion than volume.

**The Coffee Business.**—Coffee is sold now, December, 1930, at 80 milreis a bag. Efforts are being made to improve the position not only in regard to the quality of the raw product and the various treating processes, but also by closing down unprofitable plantations and by putting the whole business on a really sound basis. Foremost in this general reconstruction—besides the purely technical improvement of raising, harvesting, treating and selecting the brands—is the proper financing of planting and final disposing of the formerly not always carefully handled stores in warehouses, and the entire reorganisation of the Coffee Institute, founded and supported by the planters, but in the management of which they had of late nothing to say, as it had passed into the hands of the Government. With this change it is firmly believed that the coffee production of this State will soon regain its predominance upon the world's markets. The fact is that nowhere are natural conditions nearly as favourable to good coffee raising as in the State of São Paulo. A moderate estimate of the present stock of São Paulo coffee shows that this amounts to

about 24·8 million bags. Of this amount about 22·2 million bags are consigned to Santos, 2·3 million bags to Rio, 0·3 million bags to Victoria and other parts. Next to doing all in their power to meet the exacting demands of prospective buyers, circles interested in São Paulo's coffee export trade naturally look for a large and stable market abroad. Their eyes are turned mainly on Great Britain, where it is hardly remembered that London once was an important market for domestic consumption and continental distribution of coffee. The advocates of coffee as a daily and popular drink with the British public point out the wholesome and invigorating effect of coffee, which is an especially adapted stimulant for climatic conditions like those reigning in Great Britain.

In Holland the annual consumption of coffee per capita is from 7 to 8 kilos, in the United States from 5½ to 7½ kilos, in Germany a little over 3 kilos, but in Great Britain only from 225 to 300 grammes. Prominent São Paulo travellers are convinced that the British public have lost the art of skilfully preparing a good cup of coffee, in which they once excelled.

Exports of coffee via Santos received a new impetus in December, 1930.

**Agricultural production.**—That coffee was not only the thing produced by São Paulo, even a year ago, before the great cry of polyculture became the slogan also of this State, the following table will prove :—

HARVEST OF 1928-29.

Products.	Quantities.	Values. Milreis.
Coffee ... .. (bags)	8,814,580	1,410,332:800
Cotton in bales ... .. (arrobas)	1,646,900	23,056:600
Spirits and alcohol ... .. (litres)	78,307,456	81,439:754
Sugar ... .. (bags)	1,149,390	66,664:620
Rice ... .. "	5,505,210	154,145:880
Beans ... .. "	3,743,470	157,225:740
Maize ... .. "	17,348,380	277,574:080
Tobacco ... .. (arrobas)	145,360	9,593:760
Potatoes ... .. "	4,766,000	40,511:000
Mandioca flour ... .. (bags)	1,024,000	12,800:000
Alfalfa ... .. (kilos)	13,529,800	6,088:410
Mamona ... .. "	5,496,200	3,022:910
Wine ... .. (litres)	3,140,400	4,710:600
Fruits ... .. (kilos)	352,124,580	51,058:064
Total ... ..	...	2,298,224:218
£ equivalent ... ..	...	56,398,140

Great strides have since been made in all rural activities. For example we have only to note the strenuous efforts to raise sufficient cotton in order to meet the demand of supplying the growing cotton industry of São Paulo which so far is compelled to buy its raw material to a large extent from other States of Brazil. The harvest of 1929-30 in São Paulo attained 12,558,270 arrobas.

**The Meat Trade.**—Stock raising, slaughtering, packing, smoking and preserving, with all by-products, is doing comparatively well considering the general trade depression during the present year. Large packing houses, finely equipped and efficiently managed, control the bulk of the business. They are mostly in British and American hands and, like all São Paulo industries so far as they are based on natural resources, have a splendid future ahead.

EXPORTS FROM SANTOS.  
(Value f.o.b. Santos.)  
*General.*

Classification.	Paper Milreis.		Equivalent in £	
	1928	1929	1928	1929
Animals and their products ...	72,202:685	82,122:379	1,771,740	2,017,194
Minerals and their products ...	1,435:736	1,384:041	35,232	34,010
Vegetables and their products ...	2,021,510:496	2,013,844:213	49,604,371	49,468,526
Totals ...	2,095,148:917	2,097,350:633	51,411,343	51,519,730

*Coffee.*

	Bags.	Paper Milreis	£	Average price per bag.	
		\$		Rs.	
1928 ...	8,956,041	1,994,308:461	48,936,896	222\$679	5/5d.
1929 ...	9,311,508	1,965,936:868	48,291,332	211\$130	5/2d.

EXPORT DISTRIBUTION TO CHIEF COUNTRIES OF DESTINATION.  
(Value f.o.b. Santos.)

Countries.	Paper Milreis.		Equivalent in £	
	1928	1929	1928	1929
	\$	\$		
Great Britain ...	28,068:785	49,692:358	688,782	1,220,986
Germany ...	177,234:176	137,854:920	4,348,627	3,386,221
Belgium ...	44,132:563	61,699:907	1,083,046	1,515,520
United States ...	1,360,261:060	1,191,564:427	33,378,713	29,268,996
France ...	144,530:691	282,851:478	3,546,751	6,948,407
Holland ...	130,487:647	121,955:118	3,201,924	2,995,422
Italy ...	58,775:695	77,576:529	1,441,892	1,906,040
Sweden ...	66,599:291	62,633:419	1,634,172	1,538,319

IMPORTS FROM THE CHIEF COUNTRIES OF CONSIGNMENT.  
(Value f.o.b. Santos.)

Countries.	Paper Milreis.		Equivalent in £	
	1928	1929	1928	1929
	\$	\$		
Great Britain ...	261,089:766	235,783:594	6,424,157	5,789,424
Germany ...	177,956:406	160,333:118	4,121,469	3,938,655
Argentina ...	173,876:328	142,471:379	4,266,547	3,500,270
Belgium ...	46,094:717	56,383:762	1,131,086	1,385,333
United States ...	454,302:377	479,080:798	11,147,976	11,767,425
France ...	85,783:639	69,886:442	2,105,056	1,716,245
Italy ...	101,021:865	81,090:600	2,478,966	1,991,894

## SHIPPING MOVEMENT OF SANTOS.

Ships of the following countries entering Santos.	Numbers of vessels.		Tonnage.	
	1928	1929	1928	1929
Brazil ... ..	1,517	1,577	2,135,531	2,190,279
Germany ... ..	305	289	1,681,161	1,607,168
Denmark ... ..	26	24	83,405	76,389
France ... ..	173	147	853,745	713,638
Spain ... ..	24	21	90,595	69,561
Holland ... ..	102	112	424,956	445,345
Great Britain ... ..	454	521	2,525,878	2,717,743
Italy ... ..	134	149	876,739	1,114,218
Japan ... ..	37	42	160,041	177,100
United States ... ..	199	205	864,146	857,515
Norway ... ..	99	97	251,807	270,193
Sweden ... ..	98	82	181,860	147,489
Various ... ..	78	94	200,775	210,678
Totals ... ..	3,241	3,360	10,332,639	10,597,316

**São Paulo's Industries.**—While the economic reform programme of this State aims first of all at reorganising the coffee business, beginning with national cultivation, and giving all the other rural activities fullest support for profitable exploitation, it also aims at eliminating gradually, or at least of reducing to reasonable proportions those industrial activities that have been created and nursed artificially. Efforts are to be concentrated on exploiting the natural resources: agriculture, stock breeding, mining, and on the exportation of the products which climate and nature so generously provides. Informed business circles in São Paulo have become convinced that their State will fare better if attention and energy were turned in this direction, and that it is more profitable all round to import necessities, better produced in old industrial countries, than to foster weak industries just for the sake of having them, to the benefit of relatively few people. New industries of real benefit to São Paulo, and those already established and self-supporting, should certainly have a promising future. That the State deserves the name of the busiest is shown by the tables below, the result of work done under the onus of the world crisis, which now bids fair to be at an end in São Paulo:—

## INDUSTRIES OF THE STATE OF SÃO PAULO.

Not including rural, pastoral, dairy, sugar-refining and distilling, etc., industries:—

	1928	1929
Number of factories ... ..	6,923	8,842
Capital invested ... ..	£26,873,755	£33,052,530
Persons employed ... ..	148,376	138,002
Operating power ... ..	181,076 H.P.	190,074 H.P.
Value of production ... ..	£59,547,233	£57,774,980

STATISTICS OF THE INDUSTRIAL PRODUCTION OF THE STATE OF  
SÃO PAULO IN 1929.

Articles.	Contos.
Foodstuffs ... ..	193,066
Wearing apparel ... ..	1,265,258
Constructional materials ... ..	159,617
Furniture ... ..	103,129
Transport ... ..	31,888
Graphic industry ... ..	140,799
Metallurgical industry ... ..	130,304
Chemicals ... ..	220,733
Various manufactures—	
Leather goods ... ..	14,672
Wood manufactures ... ..	3,001
Rubber manufactures ... ..	3,821
Toys ... ..	1,742
Cigars, cigarettes and tobaccos ... ..	41,537
Rope, strings, ribbons and tape, etc. ... ..	30,965
Musical instruments ... ..	8,252
Cotton waste ... ..	2,503
Products not classified ... ..	17,487
<hr/>	
The final total of the industrial productions of the State of São Paulo for the year 1929 ... ..	2,368,774
<hr/>	
as follows :—	
Manufactured products ... ..	2,159,506
Unmanufactured products ... ..	209,268
<hr/>	
	2,368,774
Or ...	<u>£57,774,980</u>

III.

BAHIA.

1929.

*By J. E. Bell, His Majesty's Consul, Bahia.*

**General Conditions.**—During the year 1929 business conditions in this district were very trying, due principally to the lack of credit. Wholesalers established in the city supplied goods to the merchants in the interior of the State hoping that the cocoa crop would enable the retailers to liquidate their debts; the crop did not materialise as expected due to the lack of rainfall; moreover, prices were not remunerative, so that traders generally are hard pressed for ready cash.

**Imports and Exports.**—Exports suffered badly as compared with 1928, when the total exports were valued at Rs.335,700:474\$000 as against Rs.248,907:740\$000, a fall in value of Rs.86,792:734\$000 for 1929. Imports were in consequence somewhat curtailed, but not in proportion to the fall in exports. Total imports for 1929 were Rs.103,155:730\$000 as against Rs.117,019:839\$000 for 1928.



Cocoa still continues to be Bahia's principal export commodity ; there has, however, been a slight decrease in the quantity shipped during 1929 as compared with 1928, the figures being as follows :—

Weight.		Value.	
1928	1929	1928	1929
Kilos.	Kilos.	Milreis.	Milreis.
70,941,566	63,183,645	145,585,272	101,049,422

The following are the figures of imports and exports for 1928 and 1929 from the principal competing countries :—

	Exports from Bahia.		Imports to Bahia.	
	1928 Milreis.	1929 Milreis.	1928 Milreis.	1929 Milreis.
Germany ... ..	55,707:728	37,551:999	17,411:779	14,140:096
France ... ..	54,016:283	34,026:627	5,870:612	5,030:973
Great Britain ... ..	8,541:992	8,496,210	25,074:259	18,135:164
Spain ... ..	13,384:419	8,283:353	942:054	914:996
Holland ... ..	24,932:256	16,677:033	4,408:695	3,677:114
Italy ... ..	23,620:766	17,843:853	355:386	402:350
United States ... ..	102,827:597	82,519:654	30,633:756	29,937:456
Argentina ... ..	26,156:934	17,523:620	9,432:005	8,871:910

Great Britain continued to obtain her share of imports to Bahia, in spite of the fact that she is a small buyer of Bahia's produce.

Business conditions generally have not been favourable, merchants only buying to supply their immediate wants. It is, however, expected that conditions will improve during the latter half of 1930.\*

**Finance.**—Taxes, both State and Municipal, continue to be high and there does not appear to be a reduction forthcoming, although the Bahia Chamber of Commerce (Associação Commercial) has made petition soliciting reduction in taxes which merchants are at present hard pressed to pay. There is no doubt that taxation is fairly heavy. Taxes are collected in vexatious ways. The country is young and industry in its infancy. Moreover, living standards are low and the taxable capacity of the very large coloured population is small. Still, the position is inherently sound, because the State of Bahia according to all available statistics, produces and exports very much more wealth annually than is imported and consumed. It would seem that taxation has not yet reached the point where it is preventing the accumulation of capital.

The finances of the State of Bahia are now on a firmer basis and an effort appears to have been made to liquidate some of the old loans or at least wipe out arrears of interest payments ; in this connection it is noted that the old

\* Since the above was written, it has been possible to summarise the position in 1930. No improvement took place in that year, due to lack of credit and tightness of money. Crops were not up to those of 1929 and prices were lower. Imports during 1930 increased roughly by 7 % in volume and decreased by 25 % in value. Exports increased slightly in volume but lost 27½ % in value. Exports of cocoa slightly increased in volume, but it is anticipated that the 1931 crop may be small. In value of imports Great Britain lost about 38 %, Germany 50 %, and United States 20 %. The United States was again the largest buyer of Bahia produce.

municipal loan for the electrification of the Lower City tram service has been liquidated, though not on a very favourable basis for the British Bond Holders. The municipal loan was liquidated by the State, thus showing that the State is jealous of the municipal credit, which, at the present time, is bad. The State income and expenditure for 1929 were estimated as follows:—Estimated income, Rs.81,536,750\$000, actual income, Rs.81,641:166\$251, estimated expenditure, Rs.81,236:924\$212, whilst actual expenditure was Rs.82,364:521\$030. The expenditure of the State has been increased to a considerable extent through the necessity of suppressing banditry in the interior. A force of 1,600 police (State Militia) was under arms and operating against the bandits for a considerable part of 1929. The bandits, who are exceedingly elusive, have, to a certain extent, terrorized the population of the interior into furnishing supplies, information as regards the movements of troops and where supplies and horses may be obtained. The bandit group, which numbered some thirty men, has been reduced to eight, but natives wanted by the police are throwing in their lot with the bandit chief. It is, however, hoped to stamp out banditry once and for all in a very short time.

**Water Supply.\***—The water supply system of this city has been taken in hand by the State. Preliminary work is proceeding rapidly. Material, principally pipes, has already been received from France (Usines Pont à Musson) and some of the old pipe lines are being renewed. To obtain the money necessary to carry on the work tentatively the water rate will be raised from Rs.12\$000 (6/-) to Rs.18\$000 (9/-) per month, effective from May, 1930. It is anticipated that there will be a further increase in the water rate to Rs.24\$000 (12/-) and when the work is nearing completion a still further increase to Rs.36\$000 (18/-); these increases have not, however, been sanctioned. The drainage system is not as yet being worked on; this, however, will be the State's care after the water supply system has been completed.

**Shipping.**—The following are statistics for shipping during 1929:—

Country.	No. of ships entered.	Tonnage.
Great Britain ... ..	173	734,093
Germany ... ..	139	549,080
Holland ... ..	81	341,747
Brazil ... ..	76	229,937
United States ... ..	71	307,814
France ... ..	44	199,415
Sweden ... ..	37	57,077
Italy ... ..	36	126,251
Norway ... ..	22	48,944
Belgium ... ..	21	42,076
Denmark ... ..	12	37,969
Other countries ... ..	13	13,801
<b>Total ...</b>	<b>725</b>	<b>2,688,204</b>

## IV.

## PERNAMBUCO.

AUGUST, 1930.

By W. R. Mackness, His Majesty's Consul, Pernambuco Consular District :  
States of Pernambuco, Alagoas, Ceará, Parahyba and Rio Grande do Norte.

Area.	Sq. miles.
State of Pernambuco ... ..	38,322
Other States ... ..	106,518
<b>Total area ... ..</b>	<b>144,840</b>

\* During 1930, while a slight improvement was made by the connection of a new main to the lower city, progress in remodelling the system was slow, owing principally to financial difficulties.

**Population.**

State of Pernambuco ... ..	2,916,023
Other States ... ..	4,752,069
Total population ... ..	<u>7,668,092</u>

**Public Finance.**—The message of the Governor of the State of Pernambuco for the year 1929 to the State Congress gave receipts and expenditure of the State for 1929 as follows :—

	Rs.
Amount brought forward from 1928 ...	1,286:076\$300
Receipts during 1929 ... ..	<u>70,298:114\$370</u>
	71,584:190\$670
Expenditure ... ..	<u>72,765:749\$210</u>
Adverse balance carried forward ...	<u>1,181:558\$540</u>

It was mentioned that a sum of Rs.2,018:753\$820 expended for the construction of a reservoir and pipelines, as well as a loan of Rs.500:000\$000 to the municipality of Recife (Pernambuco), has been included under the head of ordinary expenditure instead of being met from extraordinary credits and that if the amount in question were deducted from the sum shown as ordinary expenditure, there would remain an excess of income over expenditure to the extent of Rs.837:195\$280. It was stated that ordinary expenditure account will be reimbursed the amount expended on the reservoir and pipelines, together with the balance of the loan owing by the municipality of Recife, when the balance of two million dollars from the loan contracted in the United States (1927-1947) is received. The consolidated internal indebtedness of the State of Pernambuco at the end of 1929 was stated to amount to Rs.28,544:950\$000, interest and amortisation having been promptly met, with the exception of " Apolicies " for Rs.229:000\$000 drawn for redemption, the holders of which had not appeared. No mention was made of the municipal issue of " Apolicies " for Rs.8,000:000\$000, the interest on which has not been paid for some years, although guaranteed by the State of Pernambuco. It is believed in financial circles, however, that the municipality of Recife (Pernambuco) is gradually acquiring the " Apolicies " in question at a discount of forty per cent. As regards external indebtedness of the State of Pernambuco, the Governor stated in his message to Congress that at the end of 1929 this was as follows :—

£553,040
French frs. 26,385,000
\$ (United States) 5,570,500

and that during 1929 the following amounts for interest and amortisation were remitted, namely :—

£60,000
French frs. 2,250,000
\$ (United States) 482,000

The repayment of the French loan is, however, being made on a paper basis, which arrangement the bondholders refuse to accept, claiming that payment should be in gold. Meanwhile, funds remitted on a paper basis are accumulating in a special account and there does not appear to be any solution of the question in sight. The State Government is said to be in arrears with payments to their commercial creditors, the reason being, it is thought, that the State has advanced considerable sums to the Banco Agricola for assisting agriculturists who, in many instances, have been unable to repay the loans on account of low prices obtained for their products.

**Commercial Situation.**—The financial situation in trading circles in the State of Pernambuco is by no means satisfactory and an improvement cannot be expected until better prices are obtained for sugar. This product has a most important bearing, in one way or another, on the entire economic aspect of the State and with higher prices for sugar, persons who have now been forced to adopt the strictest economy in expenditure would relax in this respect to the advantage of trade generally. Collections have been extremely difficult and failures have not been infrequent.

**Shipping of the Port of Pernambuco.**—The following table indicates the number of ships (steam or sailing), with tonnage, which entered the port of Pernambuco during the years 1927, 1928 and 1929.

Flag.	Number.			Tonnage.		
	1927	1928	1929	1927	1928	1929
British ... ..	187	174	201	732,915	745,306	796,002
German ... ..	64	72	82	176,319	172,865	245,619
French ... ..	66	58	39	277,826	243,488	178,981
Dutch ... ..	63	63	65	311,807	322,899	336,825
United States ... ..	15	39	54	51,266	133,003	203,732
Swedish ... ..	9	20	23	11,708	29,020	40,188
Norwegian ... ..	13	15	19	20,141	33,754	20,891
Danish ... ..	1	5	1	1,923	2,229	4,189
Italian ... ..	—	3	1	—	5,779	5,446
Belgian ... ..	11	16	30	20,102	27,151	58,006
Argentine ... ..	5	3	3	866	1,133	708
Dantzic ... ..	1	—	—	5,026	—	—
Greek ... ..	11	9	8	25,975	22,974	22,172
Mexican ... ..	2	—	—	3,369	—	—
Portuguese ... ..	2	—	—	2,747	—	—
Spanish ... ..	1	—	2	2,560	—	5,264
Japanese ... ..	1	1	—	4,258	4,258	—
Czechoslovakian ... ..	2	—	—	7,120	—	—
Finnish ... ..	—	1	—	—	3,437	—
Total foreign ... ..	454	479	528	1,655,928	1,747,264	1,918,023
Total Brazilian ... ..	59	90	76	224,326	278,231	241,077
Total all nation- aliies ... ..	513	569	604	1,880,254	2,025,495	2,259,100

**Imports and Exports.**—Detailed statistics of imports and exports for 1929 are not available, but it is understood that commencing with the year 1930, these are being compiled by a statistical department under the control of the State authorities. The message of the Governor of the State of Pernambuco for 1929 to the State Congress stated, however, that of the total exports from the State of Pernambuco to foreign countries in 1929,

	%
Sugar represented ... ..	4.77
Cotton „ „ „ ..	26.20
Coffee „ „ „ ..	24.10
Hides and skins represented ... ..	14.05

and of the total shipments to other parts of Brazil

	%
Sugar represented ... ..	59.33
Cotton „ „ „ ..	9.90

The Governor's message also stated that the total value of exports from the State of Pernambuco amounted in 1929 to Rs.51,477:000\$000, the principal buyer being Great Britain to the extent of Rs.20,713:000\$000, followed by the United States with Rs.7,593:000\$000, and France with Rs.7,171:000\$000.

**Port Works.**—The erection of a number of cranes of British manufacture was commenced in 1929 but had not been completed by the end of the year. A new and powerful dredger, built in Great Britain, was placed in use towards the end of 1929.

**Aerial Communications.**—Air linés carrying passengers and mails are regularly calling at Pernambuco, as follows:—

Compagnie Générale Aéropostale (French) between Europe and the Argentine.

"Nyrba" Line (American), between New York and the Argentine. (See page 41).

Syndicato Condor, Ltda (German), between Rio de Janeiro and Natal (State of Rio Grande do Norte).

It is claimed that the experimental flight of the dirigible, "Graf Zeppelin," from Europe to Pernambuco, has proved the practicality of the establishment of a regular service of dirigibles between this port and Europe, and possibly the United States, with connections to other parts of South America by aeroplane and hydroplane. Owing to its geographical position, Pernambuco is likely to become an important centre for aerial traffic between Europe, United States and South America generally.

**Sugar.**—The sugar crop which took place from the beginning of September, 1929, to the end of June, 1930, was subject to very low prices prevailing, these being some sixty per cent. below the average prices of the previous crop. As the economic life of the district is closely related to this product, the low prices realised have had a serious repercussion on the financial well-being of the population as a whole. From September, 1929, to June, 1930, 5,018,810 bags arrived in the city of Pernambuco, to which should be added 15,531 bags in stock from the previous crop. Of this total quantity, namely, 5,034,341 bags, 788,363 bags were exported abroad and 3,422,371 bags consumed locally or sent to other States in Brazil during the nine months, leaving, at the end of June, 1930, 823,607 bags in stock in the city of Pernambuco. It is predicted that the 1930-31 crop will be some twenty per cent. less in extent than the crop of 1929-30, one reason for this being, it is stated, that many of the sugar estates have been unable, owing to financial stringency, to treat the growing canes. In zones where growing canes have been well treated, there is a visible decrease in the quantity of cane. Should weather conditions be propitious, some of the decrease in question may be regained. The mills most seriously hit by the present depression of prices will probably commence cane cutting at the beginning of September in order to obtain ready money as soon as possible. The working of the Co-operativa Assucareira de Pernambuco, S.A., having valorisation as its aim, is not apparently thought to have helped the present unsatisfactory state of the industry to any appreciable extent. It is stated that without co-operation on the part of other sugar producing centres in Brazil, such as Maceió, Sergipe, Bahia, Campos and São Paulo, the best intentions of the Co-operativa are unavailing in rendering relief to the present depressed condition of the sugar market here. The prospect of prices for the 1930-31 crop are not in sight at the time of reporting. In May, 1930, there was the likelihood of prices hardening as the result of a rumoured arrangement between producers in Java and Cuba to raise prices and the local market reacted a little only to become weaker again later on. Owing possibly to the lack of modern factories, sugar produced in the district is not a great factor in the world's sugar market and for some years it has been the practice of producers to export overseas only such quantities as would relieve the local surplus, often at a loss to producers who have depended for profit, to a great extent, on shipments, principally to Rio de Janeiro and São Paulo. Notwithstanding the

smaller crop anticipated for 1930-31, it is likely that a considerable proportion of Demerara type will be shipped abroad. It is possible that the increasing use of alcohol and alcohol mixtures in motor vehicles (the alcohol being derived from sugar cane) may afford a certain relief to owners of sugar mills adversely affected by the low price of sugar. There are seventy sugar mills in operation in the State of Pernambuco.

**Cotton.**—Entries in Recife (city of Pernambuco) during the twelve months ended July 31st, 1930, were approximately 17,500,000 kilos and shipments to the extent of 14,762,397 kilos were as follows :—

	Bales.
Liverpool ... ..	49,907
Leixões (Portugal) ... ..	9,323
Rotterdam ... ..	976
Hamburg ... ..	554
Havre ... ..	140
Brazilian ports ... ..	17,593
<b>Total ... ..</b>	<b>78,493</b>

The crop in question was larger than the previous one and fairly satisfactory as regards quality, but yielded towards its close a fair amount of medium grade cotton. Owing to the severe crisis in the Brazilian textile industry, a large surplus was available for export, Liverpool taking the largest quantity. The percentages of the total crop for 1927-28, 1928-29 and 1929-30 forwarded to Brazilian ports, Liverpool and ports in the continent of Europe were as follows :—

	1927-28	1928-29	1929-30
	%	%	%
Brazilian ports ... ..	62·7	75·0	7·6
Liverpool ... ..	28·2	20·7	81·7
Continent of Europe ... ..	9·1	4·3	10·7

Prices realised for the 1929-30 crop were favourable to growers. The crop commenced at Rs.44\$000 per 15 kilos and prices were subsequently as follows :—

	Rs.
October, 1929 ... ..	42\$000
November, " ... ..	39\$000
December, " ... ..	42\$000
January, 1930 ... ..	41\$000-44\$000
February, " ... ..	36\$000
March, " ... ..	35\$000
April, " ... ..	35\$000
May, " ... ..	34\$000
June, " ... ..	31\$000
July, " ... ..	30\$000

It is anticipated that the 1930-31 crop will be about two-thirds the extent of the previous crop.

**Cotton Seed.**—308,054 bags, of seventy-five kilos each, entered Pernambuco during 1929. Of this quantity, local industries took 260,000 bags and 48,054 were sent to São Paulo.

**Imported Cotton Piece Goods.**—Conditions in 1929 were worse than in 1928 and owing to the increased import duties introduced and competition on the part of the mills of the country, importation has practically ceased except

as regards a limited quantity of better class goods. Many circumstances have contributed to a lessening of the demand for cotton piece goods generally and the mills in the district, of which there are thirteen, are unable to dispose of their output, with the result that they are working short time.

**Coffee.**—The coffee grown in the State of Pernambuco contains more than the usual amount of caffeine and is in demand for laboratory purposes, especially in France, which country, as in previous years, took the largest proportion of the quantity available for export in 1929.

Exports in 1929, according to country, were as follows :—

	No. of sacks.	Weight in kilos.	Official value in milreis.
France ... ..	42,181	2,530,860	5,444:427\$600
Spain ... ..	22,379	1,342,742	2,705:483\$400
Italy ... ..	19,016	1,142,840	2,319,678\$800
Belgium ... ..	12,601	756,060	1,623:439\$200
United States ... ..	950	57,000	139:650\$000
Holland ... ..	650	39,000	68:100\$000
Germany ... ..	503	30,181	76:521\$840
Portugal ... ..	203	12,180	26:707\$200
Total exports ... ..	98,483	5,910,863	12,404:008\$040

Notwithstanding the drought in February and March, 1930, and the consequent damage to the forthcoming crop, this is expected to be ten per cent. more in extent than the last one to which the above statistics relate.

**Hides and Skins.**—*Hides.*—The relatively heavy export duty and the increase in the number of tanneries in Brazil are said to be responsible for a gradual but steady decrease each year in the quantity of hides exported overseas. Other reasons in addition are given as having contributed to the reduced export in 1929 and the first six months of 1930, namely, stagnation in the Hamburg hide market, which usually takes some sixty per cent. of available exports, due to the restriction of credit, and a certain disinterestedness on the part of buyers in Havre who in the past have acquired some thirty per cent. of the exportable quantity. Local exporters, in order to meet the low prices prevailing in foreign markets, have reduced their primary market levels approximately to the following, namely :—

Rs.1\$000	per kilo	for salted hides.
Rs.1\$400	„	dry salted hides.
Rs.1\$700	„	for brined hides (avec appret).
Rs.2\$100	„	for flint dry hides.

These prices do not appear to have increased to any appreciable extent business overseas, but have enabled enterprising local tanners to lay in stocks.

**Goatskins.**—The United States of America usually takes about 92 per cent. of the production of the north of Brazil, the remaining 8 per cent. going to the Havre and Hamburg markets. Exports from this Consular district in 1929 totalled 2,760,000 skins. It is anticipated that exports in 1930 will be less. Goatskins from Ceará are in demand owing to their finer quality and for this reason fetch higher prices than skins from other northern States.

**Sheepskins.**—Export is almost exclusively to the United States, where they are used for shoe uppers and glove making. The total export has steadily increased since 1925, and in 1929 approximately 1,090,000 skins were sent to that country.

*Lizardskins.*—Owing to the introduction of footwear made of these skins, a great demand has sprung up in Europe and the United States; prices in 1929 and part of 1930 were about Rs.3\$700 per skin f.o.b. Brazilian port.

*Snakeskins.*—The only type in demand is the Giboia (Cobra-veado), and owing to the popularity of lizardskin footwear the demand has fallen off somewhat. Prices have been about Rs.5\$000 per metre f.o.b. Brazilian port.

*Water hog skins: (Capivara).*—These are used for glove leather and the relatively small production is almost entirely shipped to the United States. Prices realised in 1929 and the first part of 1930 were Rs.9\$000 per skin f.o.b. Brazilian port.

*Deerskins.*—The demand is much less than formerly, due, it is said, to glove makers finding sheepskins and wild boar skins more suitable. Prices realised, owing to lack of demand, have been in the neighbourhood of Rs.3\$000 per skin f.o.b. Brazilian port.

*Wild cat skins.*—Three species of wild cats are found in the north of Brazil, namely, "Jaguaritica," "Maracaja" and "Gato do Matto," the first two mentioned being in greatest demand. The United States takes most of the skins trapped, although not in so large a quantity as formerly, for use in the manufacture of ladies' coats. The price for a large skin three years ago was Rs.75\$000 but not more than about Rs.14\$000 is realised at the present time.

There are many other types of skins to be found in the district, such as frog, ostrich, monkey, yellow cat, donkey, etc., but these have yet to be exploited.

**Castor Oil Seed.**—In 1929, 144,584 sacks, of sixty kilos each, entered the city of Pernambuco, 110,071 sacks being exported as follows:—

	Sacks.
United States ... ..	51,726
Belgium ... ..	39,362
France ... ..	12,933
Great Britain ... ..	6,050

and 34,513 sacks consumed by local industries.

**Alcohol and Alcohol Mixtures for use in Motor Vehicles.**—An active propaganda is being made locally to induce owners of motor vehicles to adopt alcohol and alcohol mixtures in place of imported petrol, and undoubtedly the use of the former is increasing to the detriment of the large oil companies established here. The alcohol is derived from sugar cane grown in this district and the price to the consumer of the resulting fuel is about half of that of imported petrol. The municipality of Recife (Pernambuco) now uses the local product in all its motor vehicles and it is employed more or less generally by owners of motor lorries in the district. The support given to the fuel in question by owners of passenger cars appears to be somewhat divided, as in some quarters the view is held that alcohol and alcohol mixtures are not so economical in the long run as would appear when their cost is compared with that of imported petrol. It is claimed by importers of petrol that many owners of cars who have tried the locally produced fuel have gone back to imported petrol, finding the latter generally more satisfactory, especially for driving in large centres where traffic congestion requires frequent stopping and starting of cars. The view seems to be held in competent circles, however, that alcohol and alcohol mixtures for use in motor vehicles have come to stay, and it has been conservatively stated that the sales of imported petrol in the district have decreased to the extent of some twenty-five per cent. as the result of the use of the local substitute.

**Great Western of Brazil Railway Co., Ltd.**—A dividend for 1929 was paid on the 6 per cent. Preference shares after a period of fourteen years during which no dividend had been declared. For the same year, the Ordinary shares received 3 per cent., the first dividend to be paid on this class of share



for fifteen years. The ability to pay these dividends is stated to have been due to a more favourable contract having been concluded with the Federal Government and also, in part, to an increase in tariffs. The company, serving the States of Pernambuco, Alagoás, Parahyba and Rio Grande do Norte, has 1,035 miles of line in traffic and four extensions, of a total length of 97 miles, under construction, of which 21 miles have already been opened to traffic. The management anticipate that a further 26 miles of extension will be opened for traffic by the end of 1930. The company state that they own 173 engines, 244 passenger carriages, 2,144 waggons and 4 lighters. The principal goods traffic in 1929 was as follows :—

	Tons.
Sugar ... ..	285,416
Sugar cane ... ..	897,263
Cotton ... ..	35,246
Cotton seed ... ..	68,190
Maize ... ..	30,011
Mandioca ... ..	16,623
Wheat flour ... ..	20,639

**Tramways, Electricity, Gas and Telephones.**—The Pernambuco Tramways and Power Co., Ltd., now controlled by American interests after having been in British hands for many years, operate the tramways, omnibuses, electric light and power, gas and telephones of the city of Pernambuco. No extension of tramway routes and no additional tramcars were introduced during 1929 and the first six months of 1930, but nine "White" twenty-five seater motor omnibuses, procured from the United States, were put on the streets in May, 1930, thus inaugurating a motor bus service in the city. So far, the motor buses have been poorly patronised, one reason being, apparently, that the fares charged are considerably higher than those of the tramcars. Telephone subscribers in June, 1930, are stated to have been to the number of 1,981, while there were 745 new subscribers during the eighteen months ended June 30th, 1930. The telephone system is automatic and of British manufacture, and was installed shortly before the company passed into American hands. The company are engaged in an active propaganda to extend the use of gas for cooking purposes and gas cooking stoves of American manufacture are being pushed in this connection. Every encouragement is being given to industrial plants to employ electric power furnished by the company instead of generating power themselves. The relatively low offer for the supply of power made in certain instances has resulted in British manufacturers of engines losing business which otherwise would have been secured by them.

**Commercial and Financial Conditions in Ceara.**—*Vice-Consul Dr. William Studart reports as follows :—*

*Shipping.*—The following table shows entrances and clearances for 1929 :—

<i>Entered.</i>					No.	Tonnage.
British	...	...	...	...	45	116,785
Other nationalities	...	...	...	...	61	149,781
<i>Cleared.</i>					No.	Tonnage.
British	...	...	...	...	48	128,340
Other nationalities	...	...	...	...	61	149,781

*Imports.*—The principal imports for 1929, compared with 1928, were as follows :—

	1928	1929
	(Kilos).	
Sugar ... ..	3,307,677	4,154,741
Flour ... ..	8,303,579	7,650,172
Kerosene ... ..	5,875,872	3,945,473
Tissues ... ..	1,957,623	2,232,299
Cement ... ..	2,587,440	2,668,940
Gasoline ... ..	2,679,539	2,448,821
Beer ... ..	1,362,946	1,243,404
Barbed wire ... ..	930,606	862,489

The United States continued to dominate the market for flour, motor cars, barbed wire and Germany for cheap cutlery and cement.

*Exports.*—The following were the chief exports to foreign countries in 1929 :—

	Kilos.	Value. Rs.
Cotton ... ..	10,007,798	31,432:591\$800
Cotton seed ... ..	12,419,076	2,485:815\$200
Carnauba wax ... ..	2,609,565	9,528:327\$900
Maize ... ..	11,603,714	2,643:183\$850
Skins and hides ... ..	1,851,143	9,391:891\$200
Rubber ... ..	150,565	517:241\$000
Castor seed ... ..	1,432,838	770:605\$800

The following shows the destination of exports in 1929, with weight and value :—

	Kilos.	Value. Rs.
United Kingdom ... ..	23,606,252	29,719:558\$300
Germany ... ..	7,813,154	9,771:154\$960
United States ... ..	2,054,102	9,345:891\$100
France ... ..	3,281,665	4,678:445\$050
Holland ... ..	5,219,407	1,867:159\$350
Belgium ... ..	1,609,013	1,609:277\$200
Italy, Portugal, Spain ... ..	195,523	711:400\$000
Total ... ..	43,779,116	57,702:885\$960

*Commercial conditions.*—These have been fairly satisfactory. The crops have been good and failures very few. Ceará can probably be considered to have enjoyed during 1929 more satisfactory commercial conditions than any city in the north of Brazil.

**Commercial and Financial Conditions in Alagoas.**—*Mr. Vice-Consul Kenneth Macray reports as follows :—*

*Sugar.*—Although prices declined at the end of the previous crop, it was anticipated that there would be some recovery when the last crop commenced. This was not the case, however, and low prices have continued in an unprecedented manner. In many instances prices obtained hardly covered cost of collecting canes, manufacturing and marketing, with the result that most branches of business have been adversely affected. The Sugar Defence Committee did not commence to deal with the position until the end of 1929, and their principal remedy appeared to be to export sugar overseas commencing early in 1930, when nearly three-quarters of the crop had been handled. The outlook, especially for the smaller planters and mill owners, is far from satisfactory.

*Cotton.*—An insignificant quantity has been exported overseas, local mills and mills in the southern States of the country having taken the bulk. The stock in Maceió is not large but it is believed that a quantity is held by wealthier merchants up country in the hope of better prices being realised later on.

*Maize.*—1929 was a good year and foreign prices, combined with a favourable exchange, have permitted exports overseas after a number of years during which exports of this cereal had not taken place.

*Castor Oil Seed.*—The crop was considered good but owing to competition from Pernambuco, a large quantity near railheads went to that city. Generally the bulk of the crop has been sent to Antwerp, but a great deal has been sold for shipment in 1930 to Hull.

*Beans.*—Crop was good but there was no demand from overseas.

*Exports.*—These amounted to 6,573 tons in 1929 compared with 5,903 tons in 1928. The destination of exports during 1929 was as follows:—

	Tons.
United Kingdom ... ..	4,223
Belgium ... ..	1,396
Argentina ... ..	473
Germany ... ..	422
United States ... ..	48

(2,446 tons of the above exports were carried by British ships).

*Imports.*—These were to the extent of 35,224 tons in 1929 compared with 30,974 tons in 1928. The following were the countries of origin with quantities:—

	Tons.
United Kingdom ... ..	12,694
United States ... ..	14,658
Germany ... ..	5,522
Newfoundland ... ..	1,972
Mexico ... ..	180
Transhipped from various countries ...	198

(23,532 tons of the above imports were carried by British ships). Of the total imports from the United Kingdom, 11,140 tons consisted of patent fuel as against 6,450 tons in 1928, so that the import of general merchandise from that source was small.

*Shipping.*—The following table shows the movement of vessels engaged in the foreign trade of the port of Maceió during 1929:—

	<i>Entered</i>	
	No.	Tonnage.
British ... ..	46	125,270
Other nationalities ... ..	45	95,730

It should be mentioned that the steamers of the Lloyd Brazileiro for the United Kingdom have discontinued calling at Maceió and this should afford more cargo for British shipping.

*Finance.*—During 1929 there was a considerable set-back in trade, resulting in a number of failures, particularly in the towns of the interior of the State, but including two old established dry goods firms in the city of Maceió. Collections were difficult all over the State and caution in accepting orders is necessary. The State treasury is somewhat impoverished, due to some extent to the reduction of income from export duties arising from low prices and to the granting of free export of a large quantity of sugar. The State Government has been compelled to curtail various public works, including road making and, in certain instances, the upkeep of roads already constructed. It is believed that the monthly instalments in connection with the French debt

were remitted in 1929 but no remittances made on account of the British loan. The municipality of the city of Maceió continues to pay its way and to make slight improvements from time to time.

*Light and Power.*—Negotiations were conducted in 1929 for the sale of the company and the electric tram company to a syndicate in the United States, but owing to obstacles encountered as regards the terms of a new concession demanded by the State Government the new contract had not been completed by the end of 1929.

*Aerial traffic.*—This is increasing. The "Cie Generale Aeropostale" (French) continues to call regularly and the "Condor" line (German) has resumed calling at Maceió. The "Nyrba" Line (United States) from Buenos Aires to New York is about to commence to make Maceió a stopping place. (See page 41).

## V.

### PARÁ.

*By A. Purcell, Acting British Consul at Para.*

1929.

**General Conditions.**—Pará, the northernmost and third largest State in the Republic of Brazil, having an area of 1,350,498 square kilometres, with an estimated population of about one million, and distant from Rio de Janeiro by over two thousand miles, suffers all the disadvantages of its geographical situation in relation to the capital city of the country. This situation, while leaving the State free from political and other disturbances—which have at times ruffled the peace of the South, has kept the district somewhat apart from the rapid development and growth that recent years have seen in so marked a degree in the Southern States of the Union. The State of Pará, has, however, and perhaps on account of its situation, an independence and life of its own peculiar to its many natural and unique advantages, which have not yet received the recognition they merit. With, however, the more rapid communications between north and south now being initiated by air mail services, quicker steamer services, etc., and which it is hoped will help to unify the vast country of Brazil into a more homogeneous whole, the north will be able to enjoy a closer connection with the south. Meantime, Pará is passing through a transitional stage of its growth.

At one time, rubber—its production, exportation and value—entirely controlled the economic status of Pará. It has even yet a dominating if waning influence, and must still affect the commerce of the Amazon Valley. If prices, therefore, are to remain at the present abysmal level efforts must be made to develop further other resources, in order to maintain an existence compatible with the importance and natural wealth of the State. So long as "wild" rubber brought in a reasonable return enterprise and development in other directions lacked the initiative and energy which are driven by necessity. The stage, however, has been reached when necessity presses upon the State the need to call upon its other sources of wealth. This is fully recognised by those in authority, who further realise that this expansion must depend, not only on sound administration and improved foreign credit by a reduction of its external debt, but also by the introduction and encouragement of foreign capital and labour.

The financial resources of the community of landowners have been so strained of late years by the prolonged condition of trade depression, due to the low value of its staple product, that it would hardly seem possible for the means of development, on any appreciable scale, to emanate from within the State itself, but it must largely depend on outside capital to convert the natural wealth of this vast forestal region, with its magnificent waterways, into a condition of commercial prosperity. In this connection much can be hoped for from the

activities of the Japanese Colonies at Acará and Monte Alegre, of the Companhia Ford Industrial do Brasil at Boa Vista on the River Tapajós, and the inauguration of the air services of the Nyrba Line\* (New York, Rio de Janeiro, Buenos Aires Line Inc.) and the Pan American Airways, now regularly plying between north and south.

With the concentration in past years on rubber and Brazil nuts, the Amazon Valley can still be regarded as an almost untouched field respecting other possible products, such as rice, cotton, cocoa, sugar, coffee, tobacco, timber, oilseeds, fruit, etc., all of which could be exploited far more extensively than is the case at present. Increasing interest, however, in these directions, gives hope for the future, but meantime the transitional stage must necessarily be gradual and prolonged.

**Finance.**—The period under review in this report—the year 1929—offers but little compensation to the State for past lean years. A large proportion of its revenue is derived from export duties, and exports, therefore, are of first importance to its economic existence. In 1929 the weight of exports to all destinations increased by 18 per cent., as compared with 1928, but this increase was offset by low prices, especially with regard to Brazil nuts and rubber, and a decrease of 16 per cent. was shown in the official value of such exports for 1929 against the value of 1928. Exports to all destinations totalled a sterling value of approximately £2,300,000 at 6d. exchange.

Exports—Official value.	1928 Milreis.	1929 Milreis.
To Foreign countries ...	58,840,382\$	35,095,016\$
„ S. Brazilian ports ...	50,569,818\$	56,532,583\$
Total value of exports ...	109,410,200\$	91,627,599\$

The decrease in the value of exports naturally affected adversely the revenue of the State, receipts falling below estimates and duties on exports realising less than the 60 per cent. of revenue usually calculated.

Imports increased in weight by 14 per cent. in 1929 and fell in value by 20 per cent., totalling approximately £1,151,000 at 6d. exchange.

Imports—Official value.	1928 Milreis.	1929 Milreis.
From foreign countries ...	14,816,156\$	13,820,519\$
„ S. Brazilian ports ...	42,952,099\$	32,229,393\$
Total value of imports ...	57,768,255\$	46,049,912\$

**External Debt.**—On December 31st, 1929, the external loans of the State amounted to £2,875,639, and arrears of interest to over £1,105,000. The provisional arrangements made in 1927 for the service of the foreign loans of the State still continue, with, however, disappointing results, and negotiations are in progress to endeavour to arrive at some better solution of the problem than present arrangements have provided, but without Federal assistance the State, under existing circumstances, can offer little hope of substantially improving the situation of its foreign indebtedness. And until the State debt is reduced there seems little possibility of any reduction of the debt outstanding on the municipal foreign loans, which at the end of 1929 amounted to 49,015,000 milreis.

**Exports.**—The gross weights in metric tons of products exported from Pará to all destinations during the years 1928 and 1929 were as follows:—

\* See page 41.

Products.	Metric Tons, gross weight.	
	1928	1929
Cocoa beans ... ..	1,119	2,048
Hides ... ..	611	861
Mandioca flour ... ..	1,435	1,758
Nuts (Brazil) ... ..	11,637	17,376
Oilseeds ... ..	5,179	5,868
Oils ... ..	142	128
Rubber ... ..	9,401	10,429
Timber ... ..	66,966	95,176
Miscellaneous ... ..	2,902	5,944
Transit cargo (including rubber in transit)	16,274	18,536
<b>Total exports to foreign countries</b> ...	<b>115,666</b>	<b>158,124</b>
"    "    S. Brazilian ports ...	70,546	71,896
"    "    Amazon Valley ...	55,845	55,584
<b>Total exports to all destinations</b> ...	<b>242,057</b>	<b>285,604</b>

Foreign destinations of the above exports were :—

Destination.	Metric tons, gross weight.	
	1928	1929
Argentine and Uruguay ... ..	68	58
Belgium ... ..	614	872
France ... ..	3,750	5,519
Germany ... ..	7,776	6,196
Great Britain ... ..	10,650	16,879
Holland ... ..	2,541	1,731
Italy ... ..	5	135
Japan ... ..	—	15
Norway, Sweden and Denmark ...	784	840
Portugal ... ..	10,538	13,030
Spain ... ..	55,921	82,305
United States ... ..	13,216	16,460
Transit cargo (excluding rubber) ...	9,803	14,083
<b>Total exports to foreign countries</b> ...	<b>115,666</b>	<b>158,123</b>

**Natural Resources.**—*Rubber.*—The price for "Sertão Fina" for 1929 averaged Rs.2\$860 per kilo, the highest price being reached in February at Rs.3\$800, and the lowest in November at Rs.2\$000. The average price for 1928 was Rs.3\$000.

The minimum cost per kilo for the extraction of rubber has always been a moot point with those interested, but it has generally been estimated at Rs.2\$000. Extractors, who are paid in merchandise, supplies of food, clothing, etc., are probably suffering from decreased supplies in return for their labour due to the prevailing low value of rubber, and this must tend to lower the standard of living of gatherers in the rubber regions. At a selling price of Rs.2\$860, the price paid for production must have been forced down to an equivalent of somewhere about Rs.1\$000 per kilo (approximately 3d. a lb.) or even less, for on top of this charge must be added the cost of transport, storage until time of shipment, duties, etc., leaving little or no margin for profit.

How long the gatherer will be content to continue under present conditions cannot be predicted, but it is safe to assume that changes must come in the near future, bringing improved conditions for those employed in the rubber industry, and reacting generally on the life of the people.

Meantime rubber remains the pivotal influence in the trade of the region, and though falling prices have depressed trade all round, still the situation is not without hope of redemption, for there are certain factors which should not be disregarded even at this juncture.

In 1928 the area under cultivation in the Eastern Rubber Plantations has been given by the Rubber Growers' Association as 6,250,000 acres. On the River Tapajós Mr. Ford has acquired 2,470,000 acres of land—no inconsiderable area in relation to the whole—and although some years must elapse before measurable results are to be expected, those results when and if attained should bring a ponderable influence to bear, not only on the development and prosperity of the State of Pará, but also on the world output of rubber.

It is firmly believed in this region that rubber trees planted in their natural habitat must yield better results than those cultivated on a foreign soil. The experiment is now being made, and if Mr. Ford is able to prove practicable results, it is probable that local landowners will gradually follow his example, and the Amazon Valley produce a "cultivated" wild rubber, which will fulfil the dreams of those who wish to see the Amazon once again the home of this, its natural product.

Factories for the washing and créping of rubber were first started in 1925 when 670,240 kilos were exported. In 1929 approximately 1,700 tons went to the United States, Europe and South Brazil, the United States taking the major portion of 1,146 tons.

Stocks of rubber held for higher prices are said to amount to about 2,000 tons, and these must stand at between Rs.6\$000 and Rs.8\$000 a kilo on the books of holders!

STATEMENT SHOWING THE PORTS OF DESTINATION, ORIGIN, TYPES, NET AND GROSS WEIGHTS IN METRIC TONS OF RUBBER SHIPPED THROUGH THE PORT OF PARÁ DURING THE YEAR 1929.

Destination.	Metric tons net weight.	Origin.	Metric tons.		Type.	Metric tons net weight.
			Net	Gross.		
United States...	5,319	State of Pará ...	2,580	} 4,175	Fina ...	5,768
Hamburg ...	2,991	State of Amazonas ...	277		Entre-Fina ...	92
Liverpool and London ...	1,753	State of Mato Grosso ...	89	} 4,140	Sernamby ...	883
Havre ...	955	Acre Federal District ...	2,958		Caucho ...	907
Antwerp ...	187	Bolivia ...	1,862	} 2,114	Transit, etc. ...	3,741
Rotterdam and Amsterdam ...	155	Peru ...	39			
Genoa ...	22	Transit and unknown ...	3,586	4,453		
Barcelona ...	6					
Buenos Aires ...	3					
Total ...	11,391	Totals ...	11,391	14,882	Total ...	11,391



*Brazil Nuts.*—This important product, a monopoly of the Amazon Valley, enjoyed a "bumper" crop in 1929, total exports for Manáos and Pará amounting to 711,329 hectolitres; of this total Pará exporting 365,870 hectolitres. The crop for 1928 from both ports totalled an export of 422,714 hectolitres, while up to June, 30th 1930, when the season is practically over, only 289,778 hectolitres had been exported.

This product has a variable crop, generally alternate years being large, and intervening years much less, as will be seen from the above figures. Prices vary with the supply rather than with the demand, therefore, with a heavy crop such as that of 1929, prices obtained were lower than those for 1928.

It has always been the custom in previous years to ship the nut in bulk, unshelled, but in 1929 several shelling factories started operations in Pará, cheaper labour here enabling the local industry to compete with shelled nuts exported to the United States from Great Britain. The Pará shelled nut does not, however, command the highest prices, due probably to faulty methods of cracking, but the process is profitable, as the shelled nuts reduce weight by about 70 per cent., with a consequent decrease in freight charges. Also, besides the reduction in freight and higher prices commanded by the unshelled nut, the shelling has the further advantage of permitting all nuts to be utilised, as there is a limit of 15 per cent. allowed for cracked nuts in the unshelled state for entry into the United States. Spoilt nuts, that would not otherwise be shipped, are shelled and compressed locally for the oil content, which is used in the manufacture of fine soaps.

The exportation of shelled nuts during 1929 and for the first six months of 1930, in kilos, was as follows:—

		Europe.	United States.	Total.
		Kilos.	Kilos.	Kilos.
1929	... ..	1,060	81,560	82,620
1930 (January-June)	... ..	21,125	308,092	329,217

*Timber.*—This, the third product of importance from the Amazon, shows steadily increasing exports, as the following table demonstrates, giving the exports in metric tons gross weight, from Pará during the years 1927, 1928 and 1929:—

		1927	1928	1929
To foreign countries	... ..	66,919	66,966	95,176
To S. Brazilian ports	... ..	43,381	45,181	46,288
Totals	... ..	110,300	112,147	141,464

The bulk of timber exports to foreign countries is destined for Portugal and Spain, for building purposes and railway sleepers, but the finer beautifully grained woods of the Amazon forest have not yet found any steady market.

Wood as fuel is used on the Amazon in place of coal for almost all purposes, commercial and domestic, and during 1929 22,524 tons were brought into Pará from the surrounding forests for local consumption, while close on 50,000 tons are consumed annually by the river steamers, these purchasing their supplies at the various wood yards stationed on the river banks.

*Other products.*—With the immigration of Japanese Colonists into the State of Pará, who are devoting their attention principally to agricultural services, such as the cultivation of rice, cocoa, tobacco, cotton, sugar, it is hoped that these products may become of greater importance as articles of export.

It is interesting to note that Great Britain took from this district 872 tons of cotton in 1929 as against one ton the previous year, and as the Pará cotton

is appreciated as of good quality, further developments in the cultivation of this article may be expected.

Guaraná is another product of interest to the Japanese. This valuable article commands a price of £400 per ton, but the demand is small. It is shipped to the United States and Germany for medicinal purposes, also sent to the south of Brazil as it is used in Matto Grosso for making a kind of "tea." In Pará it is used to make the beverage "Guarana," which is such a favourite with the Paraenses and is generally appreciated.

The trade in babassú kernels, from which so much was hoped, has proved disappointing. The foreign demand for babassú is influenced by the copra market, and copra now being plentiful babassú is out of the running, exports from Maranhão to foreign destinations falling from 8,508 tons in 1928 to 3,973 tons in 1929, but there was a slight increase from 3,320 tons to 3,513 tons exported to South Brazilian ports, where copra is not obtainable. Figures for 1930 are not available, but exports have still further decreased.

*Fruits.*—The State of Pará offers suitable conditions for banana cultivation and export. Immediately previous to the war a plantation close to the city of Belém was started by a firm from Strasburg and prospects augured good results, but the attempt had to be abandoned as the firm were of enemy origin. The United Fruit Company has recently been investigating suitable sites, and it is hoped that their investigations may be followed up by plantations of this fruit, of which there are many excellent varieties cultivated locally. Oranges, tangerines, limes, citrons, pines, coconuts, are all of good quality and flavour and might be cultivated for foreign as well as for local consumption.

The exportation of oilseeds is not large owing to the low prices offered in the foreign markets, the local industry for the extraction of "cebo"—a white vegetable fat which is exported to the south—offering greater profits.

**Imports.**—Of the million rural and urban inhabitants in the State of Pará, of which some 150,000 are concentrated in the capital city of Belém, only a small percentage are potential purchasers of anything more than the simplest needs of life, and the market cannot, therefore, be regarded as a "luxury" market—except for the fortunate few—while the present trade depression and conditions prevail.

Imports for 1929 amounted to approximately £1,151,000 in value and 274,422 metric tons gross weight, the comparative figures for 1928 and 1929, and the countries of origin being as follows:—

Country of origin.	1928	1929
	Metric tons, gross weight.	
Argentine and Uruguay ... ..	214	422
Belgium ... ..	1,945	2,195
France ... ..	1,209	1,298
Germany ... ..	6,674	5,925
Great Britain ... ..	31,976	42,637
Holland ... ..	14	98
Italy ... ..	194	127
Japan ... ..	—	5
Mexico ... ..	1,101	6,516
Norway, Sweden, Denmark ... ..	8	1,624
Portugal ... ..	2,085	1,859
Spain ... ..	18	27
United States ... ..	21,091	19,575*
Transit ... ..	8,998	12,591
Total imports from foreign countries ... ..	75,527	94,899
Total imports from S. Brazilian ports ... ..	50,461	54,371
Total imports from Amazon Valley ... ..	114,650	125,152
Total imports ... ..	240,638	274,422

\*This includes 697 tons—a special import of machinery—which was passed on to the Ford Estates on the River Tapajós.

The principal articles imported from Great Britain out of a total of 42,638 tons, consisted of :—

	Tons.
Coal and coke ... ..	37,508
Jute ... ..	1,046
Iron and steel manufactures ... ..	842
Balance ... ..	3,242
Total imports for 1929...	42,638

The principal imports from the United States, out of a total of 19,575 tons for 1929 consisted of :—

	Tons.
Flour ... ..	8,137
Gasoline, kerosene and oil fuel ... ..	5,698
Iron and steel manufactures ... ..	1,180
Balance ... ..	4,560
Total ... ..	19,575

Germany's principal contribution was cement, 4,067 tons being imported out of a total of 5,925 tons. This article was also brought in from :—

	Tons.
United States ... ..	58
Great Britain ... ..	451
Norway* ... ..	1,620
Belgium ... ..	521
France ... ..	14
Germany ... ..	4,067
Total for 1929 ... ..	6,731

\*A special shipment for the Companhia Ford Industrial do Brasil.

Potatoes totalled an importation of 1,162 tons and were brought in from :—

	Tons.
United States ... ..	236
Germany ... ..	20
France ... ..	892
Portugal ... ..	14
Total for 1929 ... ..	1,162

Sewing machines and typewriters are almost entirely represented by American manufactures.

Motor cars and commercial motor vehicles. The same conditions apply to Pará as to the rest of the Brazilian markets, American manufactures dominating the position. Motor transport service in the State of Pará is increasing rapidly, and with the opening up of new roads to outlying districts, linking villages and small towns to the capital city, it is more than probable that motor lorries, trucks and cars must be multiplied in use. Price appears to be the ruling factor, though the cheaper makes of British trucks should be able to compete with the American article.

**Representation.**—British manufacturers appear to be content to flood the British Consulate with a mass of literature in English, in order to advertise their wares in a Portuguese-speaking country. These catalogues and journals are distributed among local firms, but only an infinitesimal proportion can be

of any use or understood, and the bulk of them must be treated as so much waste paper. Even if the catalogues were understood, the price of the article advertised would appear to be the last thing considered, as prices are rarely quoted. It is, of course, impossible to quote definite prices in all cases, but an approximate price, giving some idea of the cost, should be given. Price for price, British goods are preferred, as the word "inglez" attached to any article for sale is still synonymous for good quality. Such costly articles of manufacture as marine engines, outboard and inboard motors, electric refrigerators, etc., where the agent or retailer cannot afford to purchase stock, are often sent on consignment by American manufacturers and used by the agent for demonstration purposes. It is a constant complaint among local firms that British commercial travellers rarely visit Pará, whereas American and German travellers are assiduous in their efforts to push their trade and to study the market from all points of view. Advertisement is the soul of business, but advertising by the distribution of catalogues, without price quotations, published in English, is useless in a foreign country, and nothing can take the place of a personal visit by a man representing British goods, experienced in his trade, with some knowledge of the language of the country and capable of studying the market. After the establishment of connections by such a visit of the manufacturers' representative, the appointment of an active and reliable agent to carry on the work is the next step.

**Shipping.**—The following shipping of all nationalities entered and cleared at the Port of Pará during the year 1929 :—

Entered.					Cleared.				
Nationality.			No.	Net tonnage.	Nationality.			No.	Net tonnage.
British	...	...	61	172,641	British	...	...	77	218,552
American	...	...	23	78,192	American	...	...	24	80,635
German	...	...	9	11,810	German	...	...	9	12,792
Greek	...	...	6	11,804	Greek	...	...	5	9,726
Japanese	...	...	2	10,306	Japanese	...	...	2	10,306
Norwegian	...	...	5	9,566	Norwegian	...	...	3	6,631
Spanish	...	...	7	15,785	Spanish	...	...	9	21,652
Brazilian	...	...	3	7,059	Brazilian	...	...	5	14,446
					Swedish	...	...	2	2,373
Total	...	...	116	317,163	Total	...	...	136	377,113

The Booth Line is the only British shipping company which maintains a regular passenger and cargo service to Northern Ports of Brazil and Amazon River ports, serving Pará, Manáos and Iquitos on the Amazon and Maranhã, Tutoya and Ceará on the coast. Their boats call at Portugal and North Continental ports on the home route and the Company has also a service between North Brazil and the United States. It has lately added two fast cargo boats to the fleet and is constructing another fast vessel for passenger and cargo service, which will probably be brought into commission shortly.

The American Brazil Line, with four boats in their service between New York and Victoria (Espírito Santo) via Pará, started in the cargo carrying service during 1929. Other tramp steamers have also been making sporadic calls at the port, attracted by the high freights which are inevitable in order to maintain a regular service. Few of the steamers, however, are able to leave with full cargo, but meantime the competition has had the effect of reducing freights, the loss to the shipping companies bearing most heavily on the regular line.

**Aviation.**—A weekly air service has been inaugurated this year—1930—by the Nyrba Air Line\* (New York, Rio de Janeiro, Buenos Aires Air Line Inc.), linking the United States to Buenos Aires by way of the Port of Spain, Pará and coastal ports of Brazil. A hangar to accommodate 3 planes is in course of construction on the river bank beyond the Port of Pará Docks. This hangar, which is the largest being constructed by the Nyrba Line in South America, will be able to dismantle and completely refit any of their machines, as Pará is to constitute the chief depot for repairs, overhauling, etc.

**Local Manufactures.**—These consist of soaps, buttons (made from vegetable ivory), boots and shoes, cordage and sacks, confectionery, sweets and biscuits, all of which are doing a steady business.

The soap made locally—principally household and washing soaps—amounts to 450 tons a month, the greater part being used for local consumption, exports to the south of Brazil during 1929 being 821 tons.

The local experiment at rubber tyre production has not proved a success. At first sight it would seem that the Amazon being the home of rubber it should be an economic possibility to produce rubber goods locally. But in the manufacture of tyres, rubber shoes, etc., only a small percentage of the raw rubber enters into their composition, the balance of the material or component parts having to be imported from the south or foreign countries.

**Climate and Health.**—With the exception of a slight outbreak of yellow fever in 1929 the health of the district has remained normal throughout the year. Malaria is always prevalent in up-river regions and more or less present in the cities, but with ordinary care can usually be successfully avoided. The temperature of the north is less variable than in the south of Brazil, an average of about 83° Fahrenheit being recorded for the year. The nights are generally cool. The dry season lasts from July to December and is far healthier and more agreeable than the rainy season, which is at its worst during January, February and March, the humid and oppressive heat at that time of year being particularly trying to the foreigner.

**Commercial Situation in the State of Amazonas.**—Mr. P. J. Turner, Acting British Vice-Consul at Manáos, reports as follows:—

**Finance.**—*Revenue and Expenditure of State of Amazonas, 1928 and 1929.*—

	1928		1929	
			Estimated.	Actual.
Revenue ... ..	10,123:240\$522		13,815:829\$700	10,247:128\$924
Expenditure ... ..	11,691:352\$650		13,815:829\$700	16,274:142\$508
Deficit ... ..	1,568:112\$128		—	6,027:013\$584

Actual expenses paid in 1929—Rs.9,609:913\$161

**LIST OF FOREIGN LOANS OUTSTANDING, AND DATE TO WHICH INTEREST HAS BEEN PAID; PARTICULARS OF ANY SPECIAL ARRANGEMENTS ENTERED INTO WITH CREDITORS, MODIFYING ORIGINAL TERMS.**

State Loans.				Francs.	Exchange at 500 reis
Marseillaise, 1906 ... ..	...	...	...	80,236,600,00	40,118:250\$000
Mayer, Freres & Co., 1915 ... ..	...	...	...	20,059,125,00	10,029:562\$500
Marseillaise bond ... ..	...	...	...	3,000,000,00	1,500:000\$000
Total ... ..	...	...	...	103,295,725,00	51,647:812\$500
				Unpaid coupons.	
Marseillaise, 1906 ... ..	...	...	...	38,112,337,50	19,056:168\$750
Mayer, Freres & Co., 1915 ... ..	...	...	...	11,933,531,25	5,966:765\$625
Marseillaise bond ... ..	...	...	...	2,424,647,64	1,212:323\$823
Total ... ..	...	...	...	52,470,516,39	26,235:258\$198

\* See page 41.

Interest on the above loans has been paid up to 1917, since when it has been accumulating. The recent decision of the Hague Tribunal regarding the payment in gold by Brazil of loans in francs, has also affected the loan of the State of Amazonas. The creditors, however, made a proposal based on an exchange of 3 francs per milreis, *i.e.*, 333 reis per franc. In the Treasury books the exchange rate of 500 reis per franc has been adopted for the conversion of francs into currency, which is neither the rate at the time when the loans were negotiated nor to-day's rate, but an arbitrary exchange for book-keeping purposes.

The financial prospects of the State are very bad. With an estimated revenue for the current year of about 13,000 contos, not more than 8,000 or 9,000 will actually be collected. The present Government, however, which assumed office on the 1st January last, is making efforts to keep expenses down, and for that purpose has curtailed public lighting, dismissed supernumerary employees and is endeavouring to limit expenditure. The construction of roads has been stopped, but the municipality is proceeding with repairs to streets, although on a small scale.

*General conditions of trading community.*—Trade conditions have gradually been going from bad to worse and are now in a most depressing and serious state. In fact the commerce is experiencing one of the worst crises known in the history of Maranhão. The chief cause has been the gradual decrease in the value of rubber, the largest export of this State, until it has now reached a price that does not pay the producers to continue with its extraction, the result being that exports are showing a large decrease. This naturally reflects on the local merchants who have large credits outstanding for goods sent up to the interior, and houses of old established reputation and standing are reported as being hard pressed to provide funds with which to carry on their business.

In addition to the rubber crisis, the nut crop this year has been very small, only about 50 per cent. of that of 1929, though this has been somewhat compensated for in the excellent prices obtained. The outlook for the second half of this year is extremely serious, and, unless the price of rubber improves slightly, the position of the trading community will be a precarious one.

It is to be hoped that, with the devalorisation of rubber, more attention will be given, in the future, to other products such as cocoa, guaraná, timber, rice, etc. During the last twelve months timber exports have shown a very considerable and encouraging increase.

In view of the reduction in exports, the purchasing power of merchants has also been curtailed and imports from abroad and the south are showing a large decrease.

*Exports.*—Exports in 1928 and 1929 were as follows :—

To	1928	1929
	Metric tons.	
Great Britain ... ..	8,039	13,748
United States ... ..	13,778	13,560
Germany ... ..	5,215	6,593
France ... ..	1,857	1,974
Other countries ... ..	949	1,354
	<hr/>	<hr/>
Total foreign exports ...	29,838	37,229
Total to other Brazilian ports ... ..	6,667	11,802
	<hr/>	<hr/>
Grand total ...	36,505	49,031
	<hr/>	<hr/>

Value of exports ... Rs.65,542:303\$975 60,164:920\$000

*Principal commodities exported :—*

	1928	1929
	Metric tons.	
Rubber ... ..	13,768	12,414
Balata ... ..	734	1,380
Timber ... ..	2,702	2,615
Nuts ... ..	9,529	15,945
Cocoa ... ..	169	226
	<hr/>	<hr/>
Sundries ... ..	26,902	32,580
	4,933	4,649
	<hr/>	<hr/>
Total ... ..	31,835	37,229

Foreign exports of rubber are still decreasing. The large increase in the total exports to foreign countries, however (5,394 tons more in 1929) is accounted for by nuts, with a difference of 6,416 tons.

During the current year the decrease in the rubber exports has not been compensated by the increase in nuts, as the present crop is small.

The exports to other Brazilian ports show a very considerable increase, principally due to timber.

*Imports.*—Imports in 1928 and 1929 were as follows :—

From	1928	1929
	Metric tons.	
Great Britain ... ..	2,422	1,797
United States ... ..	7,081	7,858
Germany ... ..	1,144	1,132
Portugal ... ..	1,024	716
Other countries ... ..	1,548	1,261
Coal—Great Britain ... ..	893	696
	<hr/>	<hr/>
Total from foreign countries ... ..	14,112	13,460
„ „ Brazilian ports ... ..	23,949	21,717
	<hr/>	<hr/>
Grand total imports ... ..	38,061	35,177

A further decrease will be observed from all sources except United States, due to the general conditions of trade here and the consequent restricted credits. Imports follow closely the same curve as exports, and although the quantity of these was much larger in 1929 than in the previous year, their value was considerably less, therefore affecting imports. There is practically no alteration in the origin of imports. Import figures are not complete, as they do not show indirect imports, usually from Rio de Janeiro.

The chief imports from United States are flour, kerosene and gasoline, essential goods, which account for the non-decrease of imports from this country.

*Communications.*—The port is being maintained in very good working order in spite of decreased revenue.

The Amazon River S. N. Co. are carrying on their old lines to various rivers and have recently started a new one to the Rio Branco, once a month.

The new road from Camanáos to S. Gabriel (to avoid the rapids of the Rio Negro) is nearly completed, except for a bridge 120 metres long which is being constructed. This road is 20 kilometres long, and will avoid a few miles of very difficult navigation.

**Commercial Situation in Maranham, 1930.**—Mr. Julian Clissold, Acting British Vice-Consul at Maranham, reports as follows:—

*Finance.*—

	1927-28	1928-29
	Milreis	Milreis
The revenue of the State of Maranham was estimated at ... ..	8,575,000	9,020,000
Actual amount collected was ... ..	11,451,447	13,102,455
Giving a surplus of ... ..	2,876,447	4,082,455
The estimated expenditure was ... ..	8,491,342	9,007,586
Amount actually disbursed ... ..	13,280,284	14,045,531
Showing a deficit of ... ..	4,788,942	5,037,945

Maranhm has the following foreign loans:—

*French Loan*—1910.—Frs.18,000,000 divided into 36,000 bonds of Frs.500 each. The interest and amortisation of this loan is being paid regularly at the rate of approximately 40 contos monthly.

*American Loan*—1926.—The amount owing on this loan at the end of 1928 was \$134,824. Interest and amortisation are being paid regularly. This debt will be paid off by April, 1931.

*American Loan*—1928.—\$1,750,000. This new loan was contracted with Ulen & Co., of New York, on 1st November, 1928, type 87, interest of 7 per cent., amortisation 1 per cent., extended over a period of 30 years. The object of this loan was to pay off the 1923 American Loan (1½ million dollars) and the 1924 internal State loan. It is estimated that with the improved terms of new loan the State will have effected a saving of 44 contos monthly.

Interest on the different loans is being met regularly.

The financial position of the State is considered unsatisfactory. This is due to the poor receipts brought about by the low value of commodities.

*Exports.*—(A) In tons of 1,000 kilos.—

Countries.	1928	1929
Great Britain ... ..	3,782	6,087
Germany ... ..	4,610	2,488
Holland ... ..	2,454	1,206
France ... ..	1,016	300
Other countries ... ..	989	1,356
Total to foreign countries ... ..	12,851	11,437
Total to Brazilian ports ... ..	25,523	19,195
Grand total ... ..	38,374	30,632
	1928	1929
	Milreis	Milreis
Value of exports (foreign) ... ..	8,328,178	10,804,744
Value of exports (Brazil) ... ..	32,939,363	26,045,967
Total value of exports ... ..	41,267,541	36,850,711

(B) Exports to all foreign countries, being weight, in metric tons, of principal articles exported as follows:—



Articles.	1928		1929	
	All foreign countries including United Kingdom.	Great Britain only.	All foreign countries including United Kingdom.	Great Britain only.
Babassú ... ..	8,508	—	3,973	25
Cotton seed ... ..	3,183	3,183	4,093	4,093
Cotton ... ..	178	62	1,172	547
Residues ... ..	497	497	760	760

Exports to foreign countries show a further decrease over 1928 of 1,414 tons weight, due to the poor prices obtainable in Europe, which has forced shippers to send their babassú to São Paulo to the extent of 3,513 tons during 1929.

The following table of exports from here for the past 6 years may be of interest:—

Year.	Total exports.	Tons of Babassú.
1924 ... ..	12,444	8,950
1925 ... ..	10,804	6,836
1926 ... ..	16,595	15,345
1927 ... ..	16,047	13,042
1928 ... ..	12,851	8,508
1929 ... ..	11,437	3,973

The exports to other Brazilian ports although good show a big decrease over 1928, which was an exceptionally good year. Rice, farinha, maize and cotton show the largest decreases.

Fortunately exports to foreign countries for the first five months of 1930 show a big improvement, but due to a further drop in prices in Europe the bulk of the babassú is being shipped to other Brazilian ports at the moment.

*Imports.*—Table showing imports for 1928 and 1929 as follows:—

(In tons of 1,000 kilos).

Imports from	1928	1929
Great Britain ... ..	2,378	2,108
United States ... ..	7,032	6,878
Germany ... ..	1,810	2,415
Other countries ... ..	2,872	3,021
Total foreign imports ... ..	14,092	14,422
Total Brazilian imports ... ..	15,189	15,161
Grand totals ... ..	29,281	29,583

	1928	1929
Value of imports from foreign countries... ..	3,193:230\$900	7,945:330\$200
Value of imports from Brazilian ports ... ..	43,417:248\$000	37,275:487\$300
Total value of imports ... ..	46,610:478\$900	45,220:817\$500

As will be seen from the foregoing table, both the foreign imports and importation from other Brazilian ports have remained about the same as last year, there being no appreciable increase.

The German imports, however, have increased slightly at the expense of the United States and Great Britain.

*Local manufactures.*—There are only three cotton mills working in São Luiz at present, producing cheap cotton cloth and one jute mill, the yarn employed being imported direct from Dundee. There are three leather tanneries which are producing excellent boot and shoe leather. The manufacture of medicated cotton wool is also carried out here. There is a considerable demand for this article almost throughout Brazil.

*Communications.*—The Estrada de Ferro São Luiz á Therezina links up the capital of the State of Piauhuy with that of Maranhã, the mileage being approximately 500 kilometres. The present condition of the rolling stock still leaves much to be desired. A new station and general office premises at São Luiz was finally completed and officially opened on the 15th November, on which date the first through passenger train service to Therezina was inaugurated. Leaving São Luiz at 5.30 a.m. the Piauhuy capital was reached about 9 p.m. Heretofore, the journey occupied the best part of two days.

A resumé of the foreign shipping movement at this port during 1929 is shown in the following table :—

Lines.	Europe.	United States.	Mexico.	Total.
Booth Line ... ..	31	14	—	45
Norddeutscher Lloyd ... ..	8	—	—	8
American Brazil Line ... ..	—	13	—	13
Anglo Mexican P. Co. ... ..	—	—	3	3
Texas Oil Company ... ..	—	1	—	1
Lloyd Brasileiro ... ..	3	—	—	3
Totals ... ..	42	28	3	73

*Aviation.*—The Nyrba Line\* (New York-Rio and Buenos Aires Line Inc.) initiated a regular air service between Miami and Buenos Aires in February of 1930, calling at Maranhã both on the homeward and outward bound journeys once weekly. The planes that call here, however, only run between Pará and Ceará or Bahia where transhipment takes place to other machines.

The Pan-American Airways Inc. have just started a service between New York and São Paulo calling at Maranhã. The calls so far have not been very regular.

**Commercial Situation in Piauhuy, 1930.**—Mr. R. J. Smith, Acting British Vice-Consul at Parnahyba, reports as follows :—

*Finance.*—The revenue and expenditure of the State of Piauhuy for 1928 and 1929 were as follows :—

	1928	1929
	Rs.	Rs.
Revenue ... ..	5,151,041\$255	4,960,465\$085
Expenditure ... ..	5,669,332\$448	4,931,758\$705

while the estimates for 1930 are :—

Revenue ... ..	5,000,000\$000
Expenditure ... ..	4,951,160\$000

Bonds totalling 800 contos were issued in 1913. Rs.15,000\$000 were redeemed during 1929, leaving Rs.97,550\$000 still to be paid off.

\*See page 41.

No foreign loans have been raised and the State has no external debts. No mention is heard of the State negotiating any foreign loans.

The sum owing to individuals is Rs. 532,749\$761.

The general financial position of the trading community may be considered to be fairly good. The larger export firms have more money than usual tied up in the interior, which in many cases they are unable to collect when due owing to the exceptionally dull state of the export trade generally. The exportation of babassú kernels to European ports decreased by 6,389 tons between 1928 and 1929. This big drop in the State's principal commodity was due to lack of demand and the low prices which prevailed. Plantations of copra and other oil-bearing products made extensively outside Brazil some years ago, owing to the stimulus of the high prices then ruling, have come into full bearing and supply has to a certain extent overtaken demand. With the consequent fall in prices babassú has reached a level which makes any business with the commodity very difficult indeed.

*Exports.*—The total exports in tons of 1,000 kilos showing countries of destination are as follows :—

	1928	1929
Great Britain ... ..	1,578	2,097
United States ... ..	1,493	1,907
Germany ... ..	7,522	4,652
France ... ..	1,152	443
Portugal ... ..	1,406	1,305
Holland ... ..	4,658	2,435
Denmark ... ..	1,699	1,253
Other countries ... ..	249	121
Total to foreign countries ... ..	19,757	14,213
Total to Brazilian ports ... ..	5,049	6,078
Grand total ... ..	24,806	20,291

Total exports in tons of 1,000 kilos showing principal commodities to foreign countries :—

	1928		1929	
	All foreign countries including Great Britain.	Great Britain.	All foreign countries including Great Britain.	Great Britain.
Babassú kernels ...	10,857	—	4,468	—
Carnauba wax ...	2,954	354	2,966	378
Tucum kernels ...	2,342	30	2,563	—
Dry hides ... ..	1,981	15	1,251	—
Cottonseed ... ..	1,047	1,047	1,315	1,315

There is a decrease of 5,544 tons between the totals to Europe for the years 1928 and 1929. While foreign babassú exports are down to 6,389 tons, 742 tons more were shipped to southern Brazilian ports. The total of the valuable product, carnauba wax, to Europe and the United States remains practically at the same level as 1928—being 2,966 tons. Other notable differences to foreign countries between the years under review are :—

					Tons.
Cottonseed ...	...	...	...	Up	268
Castorseed ...	...	...	...	"	261
Tucum kernels ...	...	...	...	"	221
Babassú cake ...	...	...	...	"	200
Maize ...	...	...	...	"	190
Cotton ...	...	...	...	"	154
Jaborandy ...	...	...	...	"	129
Dry hides ...	...	...	...	Down	730

*Imports.*—Table showing imports for 1928 and 1929 as follows :—

				1928	1929
	From			Tons.	Tons.
Great Britain ...	...	...	...	289	345
United States ...	...	...	...	2,904	3,360
Germany ...	...	...	...	510	629
All other foreign countries ...	...	...	...	277	222
Total imports from foreign countries ...				3,980	4,556

Imports from all foreign countries show an increase of 576 tons over 1928. Great Britain, United States and Germany show increases of 56, 456 and 119 tons respectively. During 1928 Germany held the market for cement. It is interesting to note that during 1929 imports from Great Britain were 227 tons as compared with 270 tons from Germany. The increase from the United States is due to more gasoline and kerosene being imported. More caustic soda than formerly is being imported from Great Britain, while a corresponding decrease in this commodity is noted from the United States. Germany has a good share of the ironware trade while imports of gasoline, kerosene, flour and motor cars practically all come from the United States.

The figures quoted do not include foreign goods purchased at other Brazilian ports and imported by national steamers.

*Local Manufactures.*—The Companhia de Fiação e Tecidos Piauihyense in Therezina has been closed down throughout the year. The Empresa de Cortumes do Piauihy, situated in Parnahyba, has been working off and on during the year. Besides leather used locally this tannery exported 7 tons to South Brazil in 1929, and 9 tons during the first six months of 1930. The Soap and Babassú Oil Factory owned by Francisco Gonçalves Cortez & Co., which is situated at the Bocca do Igarassú, has been operating throughout the year. 349 tons of soap were exported to South Brazil as against 253 tons in 1928, while 570 tons of babassú oil were exported to Brazilian ports as against 524 tons in 1928. A small boot and shoe factory, "Fabrica Moderna," is working in Parnahyba with satisfactory results. Its activities are mainly confined to the State of Piauihy but small exports have been made to other States.

*Communications.*—The Estrada de Ferro Central do Piauihy is the only railway operating in the State and runs from Parnahyba to Piracuruca, 147 kilometres, and Amarração, 13½ kilometres. The following vessels, excluding Brazilian, called at the port of Tutoya Bay during 1929 :—

British ...	...	...	...	...	33
German ...	...	...	...	...	14
American ...	...	...	...	...	12

The Booth Steamship Company, Ltd., and the American Brazil Line maintained regular services from the United States.

Both The Booth Steamship Company, Ltd., and The Norddeutscher Lloyd of Bremen still maintain regular services to the continent of Europe, Hamburg being the terminal port. The two lines maintain the same rates of freight and arrange calls between them to prevent clashing.

The Booth Steamship Company, Ltd., also maintain a regular service to Europe with Liverpool the terminal port.

Parnahyba has two ports, Tutoya Bay and Amarracão, the former is 84 and the latter 10 miles away from the town. The port of Tutoya Bay, in the State of Maranhão, has good anchorages for a number of vessels. All foreign vessels with cargoes for Parnahyba call there. At high water Springs there is about 21 feet of water on the bar, and about 17 feet at Neaps. The buoying of the channel is not very reliable owing to buoys constantly shifting. Vessels should therefore only enter and leave with a pilot. Cargoes are transported to and from Parnahyba in lighters.

Only shallow draught steamers can enter the port of Amarracão, which is used by the smaller Brazilian coasting vessels. There is about 12 feet of water on the bar at Springs. The buoying of the channel and bar is very imperfect. Lighterage is resorted to for conveying cargoes to and from Parnahyba. The Federal Government has voted a credit of Rs.10,000:000\$000 towards the construction of a port at Amarracão. The State Government is to place the work but no contracts have been made as yet.

*Aviation.*—The Nyrba Brazil S.A.\* maintain a regular passenger and postal service between New York and Buenos Aires. The journey is done in stages by different planes and calls are made at all the principal ports in Brazil en route. The plane from the north arrives at Amarracão on Mondays and from the south on Sundays.

The Associação Commercial with subscriptions from the commerce have bought a landing ground about two miles outside the town in the direction of Amarracão. The ground is 1,000 metres by 500 metres and a good part of it has already been cleared of bushes, etc. The Nyrba Line, however, use hydroplanes which land at the port of Amarracão.

*Trade Outlook.*—The present trade outlook is exceedingly dull. Until prices for the State's principal commodities, namely babassú and tucum kernels, carnauba wax, cotton and hides, improve, there can be no prospects of increased exports to Europe. The babassú crop is reported to be a plentiful one. An average cotton crop is expected, while carnauba wax is expected to yield 10 per cent. to 15 per cent. less than in 1929.

N.B.—All statistics are the gross weights of the articles mentioned.

## VI.

### RIO GRANDE DO SUL.

*By Mr. R. D. Macrae, H.M. Consul at Porto Alegre.*

**Physical and Economic Division of the State.**—The total area of the State of Rio Grande do Sul is 280,000 square kilometres.

This is divided as follows :—

	Kilometres.
Public lands, forest (7·86 per cent.) ... ..	21,000
Private lands, (86·78 per cent.) ... ..	244,000
Marshy lands (5·36 per cent.) ... ..	15,000
Total area ... ..	280,000

\* See page 41.

It is further distributed as follows :—

	Kilometres.
Cattle raising land (63·57 per cent.) ... ..	178,400
Land under cultivation (9·64 per cent.) ... ..	26,600
Forests, public and private (21·43 per cent.) ... ..	60,000
Marshy lands (5·36 per cent.) ... ..	15,000
	280,000

The "Colonised" area consists of 4,141,843 hectares, of which some five-eighths have been cleared and cultivated.

The population of the colonies is divided as follows :—

	Inhabitants.
Brazilian and Portuguese ... ..	140,000
German origin ... ..	400,000
Italian origin ... ..	300,000
Polish and Russian origin ... ..	80,000
Various other nationalities ... ..	60,000
Total ... ..	980,000

**Economic.**—Business in the Southern State has been in an abnormal condition for the past year.

Although the coffee and sugar troubles did not directly affect the south, the general financial depression had its inevitable effect, and moreover the expectation of the revolution put a heavy check on all enterprise. It may again be emphasised that in Rio Grande the upheaval was not merely predicted, but seen to be inevitable, and thus all the financial and economic statistics for the year are abnormal and it would be a mistake to quote them for any purpose of reference.

The finances of the State appear to be sound, and the control wise.

Moreover, improvements in transport and customs facilities are to be expected, and Rio Grande should soon see a notable increase in prosperity.

**Finance.**—The State finances for 1929 showed a total of 194,417,925,965 milreis, being a surplus of 29,646,444,924 milreis over the amount calculated in the Budget. It is, moreover, an increase of 24,043,835 milreis over the receipts for 1928. This is in spite of a loss on the tax on exports, due to the fall in the latter.

The explanation is the number of new taxes, particularly the tax on all sales, imposed last year, taxes which have raised the cost of living in Porto Alegre very considerably.

Suffice it to say that all accounts show a satisfactory and healthy condition.

**Products of the State.**—The principal products of the State continue to show a steady increase. The figures given by the official report are as follows :

Year.	Area cultivated.	Tons produced.	Value.
1927-28 ... ..	2,642,910	4,032,458	1,075,555:360\$000
1928-29 ... ..	2,659,940	4,080,520	1,096,393:220\$000
1929-30 ... ..	2,686,700	4,126,020	1,117,757:150\$000

The chief items were :—

Products.	Tons.	Value.
Alfalfa ... ..	155,900	46,614:100\$000
Black beans ... ..	176,100	69,145:400\$000
Corn ... ..	1,316,400	286,975:200\$000
Flour ... ..	146,150	71,028:900\$000
Fruits and vegetables ... ..	985,400	216,788:000\$000
Mandioca flour ... ..	288,630	45,013:960\$000
Matté tea ... ..	160,400	93,032:000\$000
Potatoes ... ..	124,960	62,480:000\$000
Rice ... ..	232,200	76,626:000\$000
Sugar cane ... ..	59,120	41,110:200\$000
Sweet potatoes ... ..	226,600	12,103:400\$000
Tobacco ... ..	30,340	39,442:000\$000

The number of cattle declared also shows an increase.

Year.	Number of heads.	Value.
1925 ... ..	24,038,100	1,735,009:390\$000
1926 ... ..	25,372,610	1,752,089:200\$000
1927 ... ..	25,568,840	1,758,437:500\$000
1928 ... ..	25,949,940	1,886,035:728\$000
1929 ... ..	26,016,990	1,857,459:998\$000

These are divided as follows :—

Live stock.	Number of heads.	Value.
Oxen ... ..	10,664,010	1,237,237:855\$000
Sheep ... ..	7,276,720	195,776:017\$000
Pigs ... ..	5,933,140	232,540:847\$000
Horses ... ..	1,582,140	128,259:996\$000
Mules ... ..	415,220	61,532:482\$000
Goats ... ..	145,760	2,112:801\$000

**Imports.**—The total imports into the State, as declared, amounted to 679,710 tons, with a value of 263,164,000 milreis.

The origin of these was as follows :—

Imports.	Tons.	Value.
From abroad ... ..	401,568	223,922:000\$000
„ national ports ... ..	185,755	155,564:680\$000
By railway, over the border ... ..	10,889	16,358:645\$000
Total ... ..	598,212	395,845:325\$000

Imports.	Tons.	Value.
From abroad ... ..	446,442	263,164:000\$000
„ national ports ... ..	220,130	117,989:680\$000
By railway, over the border ... ..	13,138	15,581:017\$000
Total ... ..	679,710	396,734:697\$000

The chief articles imported from abroad were as follows :—

Products.	Tons.
Coke ... ..	82,265,178
Cement ... ..	54,845,380
Wheat husks flour ... ..	47,241,287
Flour ... ..	14,768,586
Wire ... ..	16,459,479
Tin plates ... ..	6,256,324
Iron bars ... ..	9,203,485
Various articles, iron ... ..	3,758,772
Simple steel plates ... ..	580,577

**Exports.**—The export figures for each of the years 1926 to 1929 are given in the following table :—

Year.	Tons exported.	Value.
1926 ... ..	447,441	347,445:138\$000
1927 ... ..	542,703	415,915:791\$000
1928 ... ..	557,774	580,722:418\$000
1929 ... ..	503,813	540,792:402\$000

The principal articles exported are shown as under :—

Products.	1928		1929	
	Weight in tons.	Value.	Weight in tons.	Value.
Jerked beef ... ..	53,836	97,220:890\$000	45,859	104,714:270\$000
Lard ... ..	42,694	82,871:312\$000	41,617	77,771:043\$000
Rice ... ..	78,586	65,761:434\$000	63,714	54,042:186\$000
Salted hides ... ..	24,482	59,368:012\$000	17,228	40,025:878\$000
Leaf tobacco ... ..	9,632	26,003:601\$000	14,539	30,614:367\$000
Black beans ... ..	39,776	24,596:918\$000	35,925	26,803:313\$000
Wool ... ..	5,998	23,672:428\$000	5,691	24,216:984\$000
Wine ... ..	26,191	21,040:174\$000	22,567	17,862:473\$000
Animal products ... ..	6,351	10,854:782\$000	15,511	17,708:311\$000
Wood ... ..	41,664	8,809:123\$000	58,487	14,002:014\$000
Frozen meat ... ..	19,049	26,533:692\$000	7,822	10,962:611\$000
Mandioca flour ... ..	37,300	11,182:727\$000	33,426	8,686:537\$000
Dry hides ... ..	3,104	13,876:731\$000	2,692	8,557:835\$000
Shoes ... ..	370	2,683:119\$000	803	8,348:861\$000
Suet ... ..	15,549	16,962:903\$000	7,265	7,761:576\$000
Sundry Textiles ... ..	428	3,426:105\$000	712	7,408:269\$000
Potatoes ... ..	27,289	6,781:269\$000	10,201	6,007:505\$000

The exports from this State were destined as follows :—

Markets.	Years.	Tons export.	Value.
National ... ..	1926	338,064	279,496:856\$000
	1927	387,747	324,216:625\$000
	1928	407,582	413,091:711\$000
	1929	348,095	389,289:527\$000
Foreign countries ... ..	1926	109,378	67,948:282\$000
	1927	154,956	91,699:167\$000
	1928	150,192	167,630:707\$000
	1929	155,719	151,502:874\$000



Exports to foreign countries were destined as follows:—

Markets.	Tons.	Value.
Argentina ... ..	57,552	36 392,096\$000
Uruguay ... ..	47,366	18,348,194\$000
Germany ... ..	15,124	33 706,626\$000
England ... ..	7 407	8,328,289\$000
Russia ... ..	7 284	16 206,362\$000

They were shipped as follows:—

Ports.	Tons.	Value.
From Porto Alegre ... ..	220,034	228,191,946\$000
„ Rio Grande ... ..	151,616	155 336,033\$000
„ Pelotas ... ..	51,360	72,987,406\$000
By rail ... ..	80,803	84 277,017\$000

**Social.**—The peculiar element in the social situation in Rio Grande do Sul as has frequently been reported, is the presence of large German and Italian elements.

The latter has comparatively little influence, most of the Italians being "colonists" who eke out a bare existence in isolated places, content to obtain sufficient food with the minimum of effort.

The Germans, however, have a controlling hold on the commerce of the State, very much to its advantage. The result is that in enterprise and reliability the business houses in the south are probably superior to those of any other State.

Social life is also strongly affected by German standards, and the extremities of wealth and poverty are less marked, and hence the danger of Communist propaganda is reduced to a minimum. Wages in the south are still on a low scale, but there has been a steady improvement and for a port town, the unemployment figures are not serious.

**British prestige and opportunity.**—The prestige of British business has always stood very high in Rio Grande do Sul, and even the German and American houses are prepared to give preference to British goods if the price difficulty can be overcome. It is believed that the era of cheapness is passing, and that the Brazilians who by nature appreciate good things, are willing to turn from mere cheapness to quality, but they must be convinced of quality, and for that expert salesmanship is essential.

The financial situation must be clarified and developments in the matters of transport and customs must be awaited before anything definite can be said as regards the possibilities of any particular class of goods.

REPORTS by H.M. Trade Commissioners, Commercial, Diplomatic and Consular Officers on commercial and financial conditions in the following countries, issued, or in course of preparation, by the Department of Overseas Trade :—

## A.—During the year 1929.

Angola ... ..	1s. 0d. (1s. 1d.)	Latvia ... ..	9d. (10d.)
Bolivia ... ..	1s. 6d. (1s. 7d.)	Netherlands East Indies ... ..	3s. 0d. (3s. 2d.)
British Malaya ... ..	3s. 0d. (3s. 2d.)	Norway ... ..	2s. 0d. (2s. 2d.)
Czechoslovakia ... ..	1s. 0d. (1s. 7d.)	Persian Gulf ... ..	1s. 3d. (1s. 4d.)
Denmark ... ..	1s. 6d. (1s. 7d.)	Switzerland ... ..	1s. 6d. (1s. 7d.)
Egypt ... ..	2s. 6d. (2s. 8d.)	United States ... ..	1s. 6d. (1s. 7d.)
Estonia ... ..	9d. (10d.)		
Finland ... ..	1s. 0d. (1s. 1d.)		

## B.—During the year 1930.

Argentina ... ..	3s. 6d. (3s. 8d.)	Lithuania ... ..	9d. (10d.)
Australia ... ..	4s. 6d. (4s. 8d.)	Morocco ... ..	2s. 6d. (2s. 8d.)
Austria ... ..	2s. 0d. (2s. 2d.)	Netherlands ... ..	3s. 0d. (3s. 2d.)
Belgium ... ..	3s. 6d. (3s. 8d.)	New Zealand ... ..	2s. 6d. (2s. 8d.)
Brazil... ..	2s. 6d. (2s. 8d.)	Panama and Costa Rica ... ..	2s. 0d. (2s. 1d.)
Bulgaria ... ..	2s. 0d. (2s. 2d.)	Persia ... ..	1s. 6d. (1s. 7d.)
Canada ... ..	3s. 6d. (3s. 8d.)	Philippine Islands ... ..	1s. 6d. (1s. 7d.)
Chile ... ..	3s. 0d. (3s. 2d.)	Poland ... ..	1s. 6d. (1s. 7d.)
China (February) ... ..	2s. 6d. (2s. 8d.)	Portugal ... ..	2s. 0d. (2s. 2d.)
China (December) ... ..	2s. 6d. (2s. 8d.)	Portuguese E. Africa ... ..	2s. 3d. (2s. 5d.)
Colombia ... ..	4s. 3d. (4s. 6d.)	Roumania ... ..	1s. 0d. (1s. 1d.)
Cuba... ..	1s. 9d. (1s. 10d.)	South Africa... ..	2s. 0d. (2s. 2d.)
East Africa ... ..	2s. 9d. (2s. 11d.)	Spain... ..	2s. 0d. (2s. 2d.)
Ecuador ... ..	1s. 6d. (1s. 7d.)	Sweden ... ..	1s. 6d. (1s. 7d.)
El Salvador ... ..	9d. (10d.)	Syria ... ..	1s. 0d. (1s. 1d.)
French West Africa ... ..	1s. 6d. (1s. 7d.)	Turkey ... ..	1s. 9d. (1s. 10d.)
Germany ... ..	4s. 6d. (4s. 11d.)	Uruguay ... ..	1s. 6d. (1s. 7d.)
Hungary ... ..	1s. 6d. (1s. 7d.)	Venezuela ... ..	9d. (10d.)
India... ..	3s. 6d. (3s. 10d.)	Yugoslavia ... ..	1s. 0d. (1s. 1d.)
Italy ... ..	3s. 6d. (3s. 8d.)		
Japan ... ..	2s. 6d. (2s. 8d.)		

## C.—During the year 1931.

Algeria and Tripoli... ..	2s. 0d. (2s. 1d.)	Dominican Republic and Hayti ... ..	1s. 9d. (1s. 10d.)
Argentina ... ..	3s. 6d. (3s. 8d.)	Guatemala, Honduras and Nicaragua ... ..	2s. 3d. (2s. 4d.)
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