

in an endeavor to reach the goal set, by July 1. From July, 1931, to the end of last year, according to the National Coffee Department, a total of 25,842,429 bags have been destroyed.

Incinerated	23,953,894 bags
Thrown into the sea and rivers...	1,057,845 bags
Disnated—Used in gasmaking, as locomotive fuel and fertilizer....	827,603 bags
In experimental work	3,087 bags
	25,842,429 bags

The value of this coffee is approximately 1,713,000 contos. Adding to this the value of the 2,100,000 bags destroyed so far this year, and converting the amount at the rate of $8\frac{1}{2}\%$ to the milreis, Brazil has destroyed merchandise valued at about \$157,000,000—a really expensive procedure, and it is often wondered how long Brazil will be able to continue with it.

HANDLING NEW CROP

On May 28, a cable was received from Brazil by the New York Coffee & Sugar Exchange, outlining the plan for the handling of the new crop which starts July 1, 1934. As it is not possible to condense this cable without omitting important points, and as we think that it will be of interest to our friends, we give it in full.

- (1) Fix annual State quotas exportable each port.
- (2) Wherever judged necessary determine proportional State quotas which compulsorily deliverable "National Coffee Department's" interior warehouse and purchasable by "National Coffee Department" price previously fixed or liable retention indefinite period according circumstances.
- (3) Regulate interior transportation.
- (4) Allow free despatch coffees interior railway stations during crop period July 1 to March 1.
- (5) Determine daily port entries which liable revision fortnightly.
- (6) Divide coffees despatched interior railway stations into two quotas, first denominated retained, second direct. Retained quota compulsory despatchable regulating warehouses before despatching direct quota to port destination.
- (7) Allow washed coffees preferential despatch to ports.
- (8) Fix percentages retained and direct quotas in later special resolution with right modify such percentages in accordance circumstances or even retain or liberate entire despatches if necessary.
- (9) Number retained quotas eighteen to one representing number of fortnights between first July and thirty-first March allowing release inverse order one to eighteen.
- (10) When direct quotas exceed respective monthly port limits excesses deliverable regulating warehouses chronological release.
- (11) Allow interior despatcher indicate port exportation and which lot retained, which direct.
- (12) Instruct railways furnish fortnightly statistics full details interior despatches.
- (13) Apply regulations coffees moved road, river, coastwise.
- (14) Apply fines two to ten contos transport companies infringing regulations.
- (15) Enforce application regulations through State Institutes, etc., "National Coffee Department" retaining right final decisions.

It is the opinion of the trade that this plan represents a more complete and centralized control by

the Brazilian Government than has ever before been effected.

SACRIFICE QUOTA

Regarding the sacrifice quota, we give the following from Medeiros Bulletin, just received:

"The idea of a sacrifice quota of 20% for the next crop has been much discussed, although the intentions of the Department in this respect are not known. While in Sao Paulo, Dr. Armando Vidal was questioned by newspaper men, but stated that the subject might only be decided towards the end of June, when the situation became clearer. In the meantime, he added, the matter might well be debated by the interested parties."

Friends in Rio have cabled us that 30% of the entries during the first half of July will be free and 70% will be withheld, that stocks will not be allowed to exceed 500,000 bags, and that if necessary, entries will be restricted. These arrangements have undoubtedly been made as stocks in ports have increased from 2,100,000 bags on July 1, 1933, to 3,683,000 bags on June 1 this year.

The National Coffee Department has estimated the new crop at 15,370,000 bags, to which will have to be added two million bags left on plantations out of the last crop.

As to the political situation in Brazil, the Presidential election has been further delayed. The Constitution will first have to be completed and then the election of the constitutional President will take place, probably early in June. In the meantime, President Vargas has decreed a general amnesty, restoring all political rights to all political prisoners and refugees. Some of the beneficiaries of the measure are the leaders of the Sao Paulo disturbance in 1932. This seems to indicate that President Vargas considers his position a strong one and does not fear the opposition of Sao Paulo delegates who might nominate a candidate of their own, as they have been none too friendly toward his policies. The name of General Goes Monteiro, the present Secretary of War, has been repeatedly mentioned as a possible candidate, but he has recently denied any intention of running against President Vargas, and has pledged him his support one hundred per cent.

From now on attention must be given to weather conditions in Brazil. Cables reporting cold weather and frost would not surprise us, as on the principle that such things run in cycles, it has been predicted that heavy frost may develop this year.

WORLD COFFEE CONSUMPTION GROWS

World consumption of coffee continues at a near record rate, deliveries for the eleven months of the crop year, July 1, 1933, to May 31, 1934, amounting to 22,631,321 bags against 20,835,620 bags in the similar 1932-33 period, a gain of 8.6%, according to the New York Coffee and Sugar Exchange.

U. S. consumption amounted to 11,365,321 bags against 10,515,620 bags, a gain of 8%. Europe accounted for 10,156,000 bags against 9,402,000, an increase of 8% while the rest of the world took 1,110,000 bags, a gain of 20.9%.

During the month of May, this year, 735,978 bags disappeared into consumptive channels in the U. S., 898,000 in Europe, while 65,000 bags were delivered to other parts of the world. Last year the disappearance during May was 1,049,551, 831,000 and 78,000 respectively.